

Small States and External Balancing: Testing Realist Theory in the Case of Sri Lanka

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DECLARATION

I declare that the thesis entitled “**SMALL STATES AND EXTERNAL BALANCING: TESTING REALIST THEORY IN THE CASE OF SRI LANKA**” submitted by me for the award of the degree of **DOCTOR OF PHILOSOPHY** of Jawaharlal Nehru University is my own work. This thesis has not been submitted previously for any other degree of this University or any other University.

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CERTIFICATE

We recommend that this thesis may be placed before the examiners for evaluation.

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For My Beloved Amma and Thaththa (Mother and Father)

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Abbreviations

ACSA -The Acquisition and Cross-Services Agreement

ADB - Asian Development Bank

BCIS - Bandaranaike Center for International Studies

BFC -Bureau of Foreign Commerce, Department of Commerce (USA)

CBR -Central Bank Reports

CRO -Colonial Relations Office

EU – European Union

FTO: Foreign Terrorist Organization

FTZ –Free Trade Zone

GATT – General Agreement on Trade and Tariff

GLOBE - Global Learning and Observations to Benefit the Environment

GOC -Government of Ceylon

GOI -Government of India

GSA -General Services Administration (USA)

HOR - House of Representatives

HRD -House of Representatives Debates

HRTF - Human Rights Task Force

HRW –Human Rights Watch

ICRC - International Committee of the Red Cross

ILA/ISLA- Indo-Sri Lanka Agreement

ILFTA, ISLFTA: India-Sri Lanka Free Trade Agreement

IOMAC- Indian Ocean Maritime Affairs Cooperation

INGO- International Non-Governmental Organizations

IOs – International Organizations

IPKF- Indian Peace Keeping Force

JVP –*Janatha Vimukthi Peramuna* (People’s Liberation Front)

LTTE- Liberation Tigers of Tamil Ealam

MEP – *MahajanaEksathPeramuna* (People’s United Front)

MOSSAD – Israel Intelligence Agency

MP -Member of Parliament

NAM- Non Aligned Movement

NDB – National Development Bank

NIEO – New International Economic Order

NSAD - National State Assembly Debates

OIT - Office of International Trade, Department of Commerce (USA)

SAARC – South Asian Association for Regional Cooperation

SAFTA - South Asian Free Trade Agreement

SAPTA: SAARC Preferential Trading Arrangement

SLFP- Sri Lanka Freedom Party

U.N.G.A. – United Nations, General Assembly

UK - United Kingdom

UNCTAD – United Nations, Conference on Trade and Development

UNEC –United Nations, Economic Council

UNP- United National Party

USA – United States of America

USA- United States of America

USDOS –United States Department of States

USDSHRR: United States Department of States Human Rights Report

VOA: Voice of America

Chapter 1: Introduction - Locating Small States in Realism

Background

This study is an attempt to refocus on the realist theory of balance of power and test its explanatory validity on small state behaviour in the international system and sub-systems. According to Kenneth Waltz (1979) “if there is any distinctively political theory in international politics balance of power theory is it” (p. 117); however, this theory entails a great deal of bias towards great powers, and the weak and small state behaviour purportedly cannot be explained using it. The small states cannot make ‘internal efforts’ to balance the aggressors in the regional or international system, but they may be in a position to take ‘external efforts’. This is because, sometimes there is a huge gap in the disparity in power between the small states and their neighbours, as in the case of Sri Lanka and India. Then the ‘external efforts’ or external balancing could remain a primary viable option for small states for their survival in the anarchical system. But is it really a viable option for the small states? Are the small states able to attract external powers to make this a viable option? Therefore, this research is undertaken to test whether realist theory about external balancing is viable in the context of small states facing very powerful adversaries.

In the South Asian sub-systemic structure, Sri Lanka’s relations with extra-regional powers and its implications, in terms of producing an external balancing effort *vis-à-vis* India, empirically guides this study. South Asian subsystem of states experiences the predominance of regional great power, India; but understandably, the system is more or less influenced by several major powers including China, USA, Russia, UK etc. In this context, the small state, Sri Lanka, could be exploring to improve its ‘external efforts’ *vis-à-vis* India, the hegemony of which could impede the external behaviour of the latter. In this context the study inquires whether the small and weak states like Sri Lanka have the option of external balancing *vis-à-vis* the great powers, particularly, the sub-regional great power India. Therefore, the study questions the theoretical conjecture that the small

states would also be producing external balancing efforts vis-à-vis ‘threatening powers’ in the back drop extra-regional powers needing to balance regional hegemony of India.

Anarchy as the permissive cause of state behaviour drives states towards a perpetual syndrome of searching for security in confronting the ‘outside’ world. The ‘inside/outside’ dichotomy about the state and the international system push nations towards rationally calculating the state of their power balances and responding accordingly. If the state’s ‘inside’ or domestic dimension is understood to be weak or vulnerable in comparison to another power, it certainly can look for external strategies; and this condition and its implications could be analysed using the Realist theories of IR, particularly structural realism.

The post-colonial Sri Lankan state was born with the high responsibility of surviving and finding security on its own. And it had to design its foreign policy strategy in a complex context of domestic and international politics. The bipolar international system which existed up to 1991 and the conglomeration of neutral nations into Non-aligned Movement (NAM) basically conditioned the choices of alliance making in the international system. The politics of super powers and their alliances vied for supremacy and the small nations had mostly to use the clout of multilateral forums such as the UN for legitimacy and protection. Sri Lanka had shown an active interest in participating in the multilateral forums from the beginning but it also chose to maintain relations with extra regional powers such as the UK, China, USSR and the USA among other such powers. In 1977 Sri Lanka displayed a total deviation from NAM and stood alongside with the west in its quest for gaining economic capabilities. Beginning from 1983, Indo – Lanka relations witnessed a new phase since India physically intervened in Sri Lanka’s ethnic conflict displaying her spectacular hegemony in the region. The two major political parties, the UNP and the SLFP which succeeded each other from time to time, seemingly had differences in their declared external policies but attempted to continue with the perceived Indo-phobia and look for backing from extra-regional powers.

Internal dynamics of Sri Lankan polity such as the ethno-nationalist conflict between Tamil and Sinhala speaking communities on the one hand, and dependence on alignments with extra-regional powers for various other spheres of relations – trade, aid, political

assistance etc. - on the other, has often become a matter of concern attracting India's influence on the small nation. Regional security concerns were highly influenced by nearly thirty-year period of civil war with the LTTE in Sri Lanka. The internationalization of ethnic conflict through Tamil diaspora politics also made Sri Lanka much involved in international politics and attract concerns of other powers and international forums. At the start of the 1990s, when the unipolar world system emerged again, the small nation saw it in a situation of systemic pressure as the internal coherence of the polity was severely affected by the ethnic war. International and sub-systemic pressures on the small state have pushed the state more towards searching for external assistance in this context. In the backdrop of the stabilizing and or transformative dynamics of the international system, hegemonic approach of Indian foreign policy, ethno-nationalist imbroglio of Sri Lanka and the larger international pressures upon the small state, this study will be mainly excavating as to how it could devise an external balancing strategy to counter Indian power and provide it with necessary clout through alignments, though temporary or issue based, with extra-regional powers.

Literature Review

This review of literature runs through a few major sections. First, it will examine some major concepts and theories of realism, critically focusing on the postulation of international politics as a great game of the great powers and its implications for the 'small states' as a category of 'system ineffectual actors'. Therefore, the discussion on Realist theory is an attempt to rethink of great power politics in a majoritarian world of small states. Second and the third, the literature on the concepts of the small states and regional powers are examined in this section. The small states have been variously defined by many scholars and this review of existing literature of small states, therefore, aims at bringing definitions and finding gaps and exploring the relevance studying them in the current context of world politics. Perhaps, the notions of the end of unipolarity and possible emergence of a multipolar world compel us to rethink of the relevance of the regions for organizing the structure of the world politics today. Fourth, this review examines existing literature on Sri Lanka and its relations with the world.

Realism

This section provides an analysis of the major theoretical tool, Realism that this study employs for investigation of small state behaviour. With the use of several sub-topics to keep the flow of ideas in general, this section is woven around the major argument that a realist approach can be used or reset for the study of small states in international politics today more than in the past because of greater leverage that is present in the international structure for small states to enhance their capabilities and adopt various countering strategies vis-à-vis threatening powers in a world of greater integration than isolationism.

Realism as ‘an intellectual construct’ is “the oldest and the most prominent” and ‘most dominant’ ‘approach’, ‘worldview’ or ‘paradigm’ among theories that study international relations (Forde 1992; Frankel 1996: ix; Doyle 1997:41; Elman 2007; Legro and Moravcsik 1999: 5). Providing an introduction to the book, *Realism: Restatements and Renewal*, Frankel (1996) states that Realism has lasted for long “in both its manifestations – as praxis and as theory”; “from the days of Athens’ anxiety about the increasing power of Lacedaemon, through the feudal period in Europe and the emergence of the modern interstate system to the present...” (Frankel 1996: ix). The long journey of Realism as a theory of the state speaks much for its viability for analysis of international politics even today.

Realism has retained its ‘primacy’ throughout the millennia in international relations owing to its “most reliable guidance for statecraft and most compelling explanations for state behaviour” (*Ibid*). Yet, Frankel also points out that there is a “discernible temporal pattern to the criticisms of realism” (1996: x). Most of these critics of Realism seem to have derived their arguments from an American foreign policy perspective. For instance, we understand, critics such as Zakaria (1992), Kapstein (1995), Lebow (1994). Kegley Jr. (1993) and Kratochwil (1994), to name only a few critics, were first inspired against realism or mostly taking on neo-realism with the domestic experiences of the USA’s costly warfare abroad, as well as the collapse of the USSR and subsequent rise of the seemingly static liberal hegemony of the world (Frankel 1996). However, the liberal utopian idealist thinking that ‘mankind has reached its endpoint of ideological evolution’

(Fukuyama 1992) may not be taken seriously at present before the unfolding of several conflicts, may be of civilizational nature, around the world (Huntington 1993).

Realism - Conceptual Debate

The question, ‘what is Realism?’ is differently answered by scholars of IR. For some sees realism as a ‘paradigm’ which is “stipulatively defined as the fundamental assumptions scholars make about the world they are studying” (Vazquez 1983:5 and 1997:900). Some scholars view it as “a philosophical disposition and set of assumptions about the world” and an “attitude regarding human condition” (Gilpin 1986:304; also cited in Donnelly 2000:06; Taliaferro, Lobell and Ripsman 2009). However, Gilpin’s (1986: 304) definition does not totally deny the potential of realism as a subject of scientific investigation in positivist tradition, since he himself agrees that realism possess a set of core assumption. Nevertheless, in another instance Gilpin agrees with the classical definition of realism where he states that throughout the millennia the fundamental nature of international politics has remained ‘static’:

The fundamental nature of international relations is seen as being unchanged over the millennia. International relations continues to be a recurring struggle for wealth and power among independent actors in a state of anarchy (Gilpin 1981:7 also cited in Sheehan 2000: 06).

Thus, the picture that realism establishes about international relations as a ‘recurrent’ state of affairs where ‘war’ is the ultimate image of politics draw our attention to methodological debates of IR too. This seemingly static nature of international relations leads to conclusions by some that scientific investigations do not hold much for the field.

Somehow others like Keohane seem to suggest that Realism cannot be subjected to scientific investigations of the positivist methods, i.e., simply because, the assumptions of realism cannot be falsified (Keohane 1986 ed.). However Waltz (1986) in his piece, “A Response to My Critics”, has successfully countered those claims of testability of theories through falsification method. Here, Waltz (1986) agrees that it is ‘impossible’ to test some theoretical assumptions, because they cannot be precisely specified; on the other hand Waltz suggests that falsification is not the only way to test theories (p.334). Further, one can see the ‘realistic’ view of Waltz on the realm of scientific knowledge

production which also emphasises that he is never a “naïve falsificationist” when he states the following in the same piece in reply to his critics;

Attempts to falsify theories are as problematic as attempts to confirm the. Because of the interdependence of theory and fact, we can find no Popperian critical experiment, the negative results of which would send a theory crashing to the ground. The background knowledge against which to test a theory is as problematic as the theory itself. Popper understood the problem but passed over it in various ways. In science there are no ultimate, or certainly true, statements. Therefore, no test is conclusive; in principle we should test theories *ad infinitum* (Waltz 1986: 334).

Realism as a research paradigm has progressed throughout its journey (Elman and Elman 2003), mainly owing to a set of well-developed core assumptions for realist theory/ies of IR. As Legro and Moravcsik (1999: 08 cited in Elman and Elman 2003:04) argue Realism is a ‘meta-theoretic unit’ with “the specification of well-developed paradigms around sets of core assumptions remains central to the study of world politics” (also cited in Elman and Elman 2003:04). Similarly, Legro and Moravcsik (1999) establishes that realism has testable theories and remained at ‘salient position’ in IR theory.

Many specific realist theories are testable, and there remains much global conflict about which realism offers powerful insights. Nor is the problem the lack of empirical support for simple realist predictions, such as recurrent balancing; or the absence of plausible realist explanations of certain salient phenomena, such as the Cold War, the “end of history,” or systemic change in general. Research programs advance, after all, by the refinement and improvement of previous theories to account for anomalies. There can be little doubt that realist theories rightfully retain a salient position in international relations theory (1999: 05).

While realism has been successful as a theory as noted above, Legro and Moravcsik (1999:06) argue that the “...the theoretical core of the realist approach has been undermined by its own defenders...” by ‘self-declared realists’ who have contributed to ‘water down the hard core of the realism’ (Moravcsik 2003: 190). While we do not necessarily agree with this allegation of diluting ‘hard-core of realism’ by present day theorists as recognised by Moravcsik (2003), we also cannot deny that Realism has its originality which has been tested over time. Now let us have a look at the elements in the ‘central core of realist approach’ in the next sub-section.

'Central Core of Realism'

Realism has become an umbrella term for it has been diversified with several variants. Yet all these branches of realism have some common ground which we call 'core assumptions' or 'central core' of realism that also add, to use a Gilpin's (1986) term, to the 'richness' of this theory of world politics. Schmidt (2006) in his article "On the History and Historiography of IR" in the *Hand Book of International Relations* (Sage Publishers), mentions that

...the sovereign state is the most important actor in international politics; that state behaviour can be explained rationally; that state are unitary actors; that there is a sharp distinction between domestic and international politics; that states pursue power in anarchic self-help setting; and that the issues of war and peace are paramount" (Schmidt 2006:09).

These assumptions are 'typically' identified by 'almost all' in the field of IR as the central tenets of realism (*Ibid*). They would "define an ideal type of world politics" (Keohane and Nye 1977 cited in Onuff 1998: 228). They may be 'ideal type,' because they are theoretical images of reality and not reality as such, to use Waltzian term of 'images', but these basic tenets of realism first of all would establish the 'centrality' of the state as the major actor in IR and showcase the distinctive and autonomous nature of international political structure which is anarchic in nature.

However Keohane, following Lakatosian view of research progress, argues that the IR should have more hypotheses other than "traditional egoist assumptions" and he calls them 'auxiliary' hypotheses or assumptions which can explain 'anomalies' of the realist theory, particularly that of Waltz's explication of neo-realism (Onuff 1998:228; Keohane 2005). However, as Onuff (1998: 229) points out "Waltz's realism provides the hard core of assumptions, scope conditions and a related set of hypotheses or theory". He also mentions that though Keohane's 'additional' assumptions are 'weaker and more ambivalent' given that they are 'substantiated' they also could 'enrich' Realism (*Ibid*).

For the states to become states within the territorial boundaries the concept of sovereignty provides immense validity and importance. Sovereignty is a socially agreed principle and hence a feature of the international structure of state interaction, and not sole belonging to

the individual state. Accordingly, following Krasner (1999), Biersteker (2005) mentions that “the institution of sovereignty affirms the principle of non-intervention in the affairs of the other states, intervention has always been a normal feature of international affairs” (p.161). This argument subscribes to an image constituted by the entanglement of international anarchy with the idea of sovereignty in the praxis of state process. On the other hand, this tension between the concept of state sovereignty and anarchy may point to the division between and the unity of human nature realism (as espoused by Morgenthau 1948) and socially determined political structures (Waltz 1979). Because classical realism simply labels human beings as the pursuers of ‘self-interest’, as ‘egoist’ whose life is ‘poor, short, nasty and brutish’ (Hobbes 1939:161); this inherent character of human nature is something that the structural realists would not buy as a perfect cause for condition of war or conflict because for them the ‘permissive cause’ (Waltz 1979) for state’s selfish behaviour or ‘war’ is international anarchy (*see* Brown 2009 for a discussion on human nature and structural realism).

Since the war is the ultimate and most critical stage of political affairs among states, the decisions on ‘war’ have to be ‘rational’. The states as ‘rational’ actors take ‘reasonable efforts to device best suitable strategy’, ‘optimal strategy’ for achieving their objectives (Glaser 2010: 30) or according to what realism terms the ‘national self-interests’ or ‘national interest’. However, the structure of international politics puts constraints or otherwise would buttress the conditions in which the states are to behave rationally; and contradicting with Glaser’s definition we can say that rationality of state ends at the limit of the international systemic conditions. National self-interest is part and parcel of the mechanism or strategy for security by states and hence is linked to the Waltzian idea of ‘self-help’.

Anarchic and Self-help System

Anarchy is one of the major tenets of the ‘core’ of Realism. Morgenthau stated firmly that “the struggle for power is universal in time and space and is an undeniable fact of experience” (1978: 29). He has underlined the backdrop of this reality as constituted by two elements, self-interest of the states and rational behaviour and anarchy in the structure, which certainly propel doubts of national security which drives the states to live

in a condition of 'security dilemma' (*see* Herz 1950). Faced with security challenges the states

... are driven to acquire more and more power in order to escape the impact of the power of others. This, in turn, renders the others more insecure and compels them to prepare for the worst. Since none can ever feel entirely secure in such a world of competing units, power competition ensues and the vicious circle of security and power accumulation is on" (Herz 1950: 36).

Thus it is interesting to note that reality as it exists in international relations is something that has a cause and effect relation; because there is anarchy the states tend to safeguard their interests and because of state's self-interests they will not trust each other, and hence 'war' prevails perpetually. The idea of 'war' needs to be realised as the 'image' that visualizes the conditions for the states at the international level. Waltz's *Man, State and War* (1959) is a classic that clearly brings forth the nature of war at three different levels of human social relations; the individual, state and international. It is the international level which is mostly subject to anarchy's conditions, because even if there are 'mechanisms of governance' like the UN, the states are regarded as autonomous actors that no external authority or law could prevail over them much. Schneider (1960) observes a similar view that we have just explained about the 'war', the third image in anarchical systems.

However, the term war should be set off in quotation marks to indicate that what is intended is not military action but a state of affairs which makes such action both necessary and inevitable. Spinoza found the cause of war (military combat) in the original nature of man; Kant in the internal organization or structure of states; Rousseau in the system of relationships of states to one another. Fighting or battle action occurs because men are evil; individual states are defectively constituted; or because states stand in a relationship of "war" to one another (Schneider 1960: 282).

A post-structural theorist, Cynthia Weber (2001), interprets the concept of anarchy as a 'myth' following deconstruction's influence on politics. Nevertheless, anarchy has already been in existence whether through the power of discourse or myth or reality; it is something now which is injected thoroughly into human psyche and something that states have perennially experienced, especially when they are powerless or lesser powerful. People create governing mechanisms, because they fear the absence of a law giver and

imposer will create disorder and violence and subject the 'weak to suffer'. However, the community of states do not have a government as such and have to live through suspicion and real danger of being subjugated to the powerful. In *Political Discourse of Anarchy: A Disciplinary History of International Relations*, Brian Schmidt (1998) observes that realists agree more or less of anarchical nature of international system, while some may think of ways to mitigate the conditions.

Although many of the realists rejected both the focus on, and the concern with, mitigating anarchy, they nevertheless in many cases shared the same analytical and conceptual scheme that earlier scholars in the field had developed. And while a focus on power and war was at the forefront of the realist research agenda, there was often lurking beneath the surface a concern with how to achieve peace in an international environment in which there was no central authority (Schmidt 1998: 191).

As Schmidt argues it is not that realists wanted war to prevail in anarchy, but they thought of how to make peace in such conditions. The title of the major realist text of the twentieth century captured this dialectical nature of international politics: *Politics among Nations: the Struggle for War and Peace*. Both war and peace have been, therefore, the products of the politics of the states interacting in an international system. Major exponents of twentieth century Realism such as "E.H. Carr, Hans Morgenthau, Frederick Schuman, Grayson Kirk, and Frederick Sherwood Dun" (Schmidt 1998: 191) who witnessed most destructive wars of the modern age had continued the realist strand of thought that traditionally sent down to them from Hobbes, Machiavelli etc. who had similarly experienced such anarchy in political life during their ages (*see* Wolin 2004). Here Gilpin's explanation about assumptions of Realism has captured anarchy's role as "a rule" against justice etc.

Anarchy is the rule; order, justice, and morality are the exceptions. The realist need not believe that one must always forego the pursuit of these higher virtues, but realists do stress that in the world as it is, the final arbiter of things political is power. All moral schemes will come to naught if this basic reality is forgotten (Gilpin 1984: 290).

In the 1980s, Waltz (1979), Mearsheimer (2001) and several scholars have dealt with anarchy, emphasising more on the systemic explanation over the human nature

explanations (egoism and self-interest etc.). Anarchy is placed as the first assumption in international politics by offensive realist Mearsheimer (2001), accordingly,

The first assumption is that the international system is anarchic, which does not mean that it is chaotic or riven by disorder. It is easy to draw that conclusion, since realism depicts a world characterized by security competition and war. By itself, however, the realist notion of anarchy has nothing to do with conflict; it is an ordering principle, which says that the system comprises independent states that have no central authority above them. Sovereignty, in other words, inheres in states because there is no higher ruling body in the international system. There is no “government over governments (Mearsheimer 2001, also found in Elman and Jensen 2014: 179-187).

Waltz (1979), as well as Mearsheimer (2001) view that anarchy is the organizing principle of international politics. As mentioned above, Waltz calls anarchy the ‘permissive cause’ for state action. The bi-polar world was full of violence due to the power struggle of the superpowers. Nevertheless, the unipolar world too has promised little peace as various dimensions of international political struggle has started to manifest in violent ways the world over. The meaning of anarchy as emphasised by Mearsheimer above does not in any way indicate the existence of a fully chaotic world, but a general condition of world politics in which all states have to exist being conscious of their security and power.

Contrarily to what realism offers, constructivism argues that ‘anarchy is what states make of it’ (Wendt 1992). Human nature realism in this context would argue that states attempt to increase power because of the ‘will to power’ as Nietzsche called it and ‘desire to power’ in Morgenthau’s conception. However, the argument of systemic anarchy seems to be further validated as the attempts to mitigate anarchy through systems of governance such as the UN have yielded little results, while there is huge competition among the major powers to capture the power of these world institutions. For instance, “India, Brazil, Germany and Japan have formed a united front lobby for permanent seats in the United Nations” (Sharma 2009: 182). Meanwhile, it is alleged that China has given only ‘tepid support’ for India’s bid, though it had often said that ‘India needs to play a greater role’ in the UN (*Ibid*). Likewise, the emerging major powers and the established major powers are already entangled in bargaining over their place in the world system,

because they are unsatisfied as the systemic pressures and incentives drive them to safeguard their interests from others. From this discussion on anarchy and state action in anarchy we can now move on to realist idea of security.

Realism and Security

Machiavelli famously said that “Security for man is impossible unless it be conjoined with power” (cited in Wolin 2004: 13). Presumably, both the weak and the strong strive for security. Therefore, for realism survival of the states is the ultimate goal of their existence. Waltz assumes that “states seek to ensure their survival”; because “survival is a prerequisite to achieving any goals that states may have other than the goal of promoting their own disappearance as political entities” (1979:91-92). States take the ‘survival motive for granted’ because no one can assure their ‘security’ (*Ibid*). Muller (2006) summarises the neorealist view point of security, in his article “Security Cooperation”, which is different from the “classical realist analysis built upon innate human striving for cumulating power” (p.371). Thus the neo-realists or structural realists would “waive anthropological assumption” (Muller 2006: 371) and present a structural view point which emphasises “the need to survive in anarchy where no sovereign grants security means that states are on their own for providing the necessary means to ensure their continued existence”. Thus the ultimate assurance of security of states is to be found from within the state sources and system in that way becomes a ‘self-help’ one.

Security as a core value of international politics is desired by states. Neorealism places much emphasis on security because it is “the prime motivation” for them (Baldwin 1997:21). Yet, Baldwin (1997) points out that the definition of security in neorealism remains unsatisfactory. Here he quotes a definition of security as offered by Waltz (1979). As Waltz has seen it; “In anarchy, security is the highest end. Only if survival is assured, can states seek such other goals as tranquillity, profit, and power” (Waltz 1979: 126, also cited in Baldwin 1997: 21). Though, the link between security and systemic anarchy in neorealist analysis is clear enough, some argue that states face a security dilemma not only because they are in anarchy only, but because there are predatory states in the system (Schweller 1996; Muller 2006: 373). For oneself to serve itself it is required to possess additional capabilities; military, economic and political etc. Following Kydd

(1997), Muller (2006) that in the system of relations there are not only predators but security seekers as well. The association of security seekers could lead to security cooperation and peace (Muller 2006: 373). Therefore, alliance making for security is a common strategy among states (Walt).

Morgenthau (1948) discusses the theme of security in the part eight of his *Politics among Nations* under the theme of the peace in the mid-twentieth century. The first theme of this section is “Disarmament (chapter XXI)”, and in the chapter XXII on “Security” he talks about ‘collective security’. The twentieth century experienced the dilemma of security because of the bi-polarity’s tension of war which is reflected in the discussion of security in Morgenthau’s text to a great extent. The polarity’s impact on security has been a topic for greater analysis and research for academics in security studies. When nations and coalitions of states seek collective security against aggressors they have to fulfil three requirements: be able to ‘muster overwhelming strength’ against the aggressor; have a shared or ‘same idea of the conception of security’ and be able to ‘subordinate conflicting political interest’ to face the aggressor (Morgenthau 1948: 332).

Further Morgenthau (1948) points out in the light of failure of collective security systems such as the League of Nations, for collective security to succeed “the individual nations” have to “forsake national egotisms and the national policies serving them” (1948:333). It is interesting to note here that foremost realist in IR expects a kind of ideal behaviour from states joining together for a common cause. In this context of the rivalry between the USA and USSR it is important to understand the values promoted in this way of thinking by Morgenthau.

Balance of Power

The most significant theoretical orientation of the Realist approach to international relations is the theory of balance of power (BOP). At the same time, it could be ‘the most ambiguous intractable’ theory too (Paul *et al* 2004: 29 also cited in Georg and Sorensen 2013 reprint; 88). According to Morgenthau, “what prevents continuous conflict and disorder is the self-regulating balance of power mechanism” (in Sheehan 1998: 74). Though there are many studies on BOP the meaning of the term is variously expressed by

many theorist; Haas (1953), Wight (1966) and Liska (1977) have listed out some of the existing definitions of the term. Morgenthau (1978) sees BOP as an “actual state of affairs in which power is distributed among several nations with approximate equality” (cited in Sheehan 1998: 3).

First of all, “balance of power theory assumes that, on average, most states correctly respond to systemic incentives and engage in balancing and emulation” (Taliaferro, Lobell, and Ripsman 2009: 18). The first requirement for a BOP system as stipulated in Waltz is the existence of “states” as “the unitary actors who, at a minimum, seek their own preservation and, at a maximum, drive for universal domination” (1979:118). Further, Morgenthau defined BOP in real existence as a condition where “the aspiration for power on the part of several nations, each trying to maintain or overthrow the status-quo, leads of necessity to a configuration that is called the balance of power” (Morgenthau, 1978:173 cited in Sheehan 2000:12). Accordingly, the nation states attempt to maintain their status of power or reconfigure the same if they find that others have built power for them which can change the existing balance of the system.

Claude (1962) has related BOP to bloc politics where one bloc of states may be concerned over the concentration of power in another one and then attempt to balance it (cited in Sheehan 1998:03). ‘Balance of power’, ‘power balance’ and ‘balancing’ are somehow recognised as having different meanings depending on the state of affairs these terms may represent (Paul 2004).

The concept of balance of power in general agrees that states attempt to prevent other states becoming strong or more powerful than them. As Sheehan following Kaplan (1968) observes, there are several key assumptions in the theory of BOP. These assumptions include; first, the state as “the central actor in international politics”; second, the major powers aim for ‘security as their goal’ and therefore they may balance against the others; third, in BOP system “weaponry is not nuclear”; fourth, states attempt create a ‘margin of advantage’ in the compared power of them with others; fifth, there have to be great powers or major powers numbering at least five in the system according to Kaplan; sixth; the states require the support allies in the process of balancing other powers (these

assumptions have been derived from Kaplan 1968: 389-90 and cited in Sheehan 1998: 87).

These assumptions made by Kaplan (1968) are quite transformed and subject to the influence of 'structure' by the later development in IR, structural realism of Kenneth Waltz (1979). For Waltz the nature of balancing is a result of the nature of international system, the distribution of power among the states or major states at least. Therefore the game of BOP depended on the polarity- whether unipolar, bipolar, tri-polar or multipolar. Waltz preferred a bi-polar system more than a multipolar one because the nature of the security dilemma could be quite clear in such a system of a few great powers. Waltz (1979:128) in the chapter on anarchical structures and balance of power in his *Theory of International Politics* observes that:

From the theory, one predicts that states will engage in balancing behavior, whether or not balanced power is the end of their acts. From the theory, one predicts a strong tendency toward balance in the system. The expectation is not that a balance, once achieved, will be maintained, but that a balance, once disrupted, will be restored in one way or another. Balances of power recurrently form. Since the theory depicts international politics as a competitive system, one predicts more specifically that states will display characteristics common to competitors: namely, that they will imitate each other and become socialized to their system (Waltz 1979:128).

Waltz's understanding of BOP theory is rather sociological and never a utopian one. He has brought the classical ideas of power balances into a structural analysis where states, like individuals in society, act in response to the systemic consequences, the competition for power and security. Waltz's stance that states respond to power is questioned by some other realists who argue that states basically respond to 'threat' rather than power. Among those who argue threat perception of the states lead to balancing behaviour is Stephen Walt. In his *The Origin of Alliances* (1987) Walt produces his argument; accordingly, when 'faced with external threat', states will either balance of bandwagon with the threatening power (p.110). Walt's theory is known as balance of threat (BOT) and "should be viewed as a refinement of traditional balance of power theory" (1987: 263). A major alternative for balancing is bandwagon is prescribed mainly for small states.

Balancing and its Alternatives

Waltz (1979) observes that balancing is a recurrent phenomenon in international politics which depends on internal or external capabilities of the states. As an answer to the question why states balance against each other Realism has two views – balance against power and balance against threat (Walt 2000). As Paul (2004) shows balancing occurs to prevent the rise of the hegemony, while as “a state strategy or foreign policy behaviour” balance of power displays “outcomes at the systemic or sub-systemic levels” (2004:02). Following Inis Claude, Thomas (2004) points out that ‘balance of power theory’ works as a system of countervailing power’ to ensure the ‘sovereignty and independence of large and small states’ (p. 315).

Schroeder (1994), Paul (2004), Schweller (1994 and 2006), Kaufman *et al* (2007), and Nexon (2009) have studied the balancing and bandwagoning behaviour of secondary states against the great powers. While realists have distinguished between the theory of power balances, balance of power theory and theory of balancing (Nexon 2009), Waltz says that balance of power politics prevail wherever two, and only two requirements are met: that the order be anarchic and that it be populated by units wishing to survive (Waltz 1979). According to Realism the balance of power results from states behaviour with self-interests, the pursuit of *Realpolitik*. Small states due to their incapacity may not attempt for hard balancing (Walt 1992) against great powers, but can use multiple ways of external behaviour as identified by realists (Schroeder 1994 and Ian 2003). Walt (1995) in what he terms a sort of refinement of Waltz’s theory argues that states tend to balance not due to power imbalances but due to ‘threats’. Any local power may balance due to this threat perception (Mouritzen 2005: 87). In Realist theory alliance formation by small states is given two interpretations. First, Classical realists view this as “the most important manifestation of balance of power” (Morgenthau 1948: 244; also cited in Reiter and Gärtner 1999: 1). Walt (1999) views alliances to be the result of balance of threat. Small states as they are extremely vulnerable to the external environment have to seek alliances with more powerful states (Walt 1987). Thus, due to their extreme vulnerability, they are supposed to prefer an alliance with a dominant power rather than risking an

immediate attack (Walt 1987: 21-31). The bipolar world saw several alliances – military, economic etc. - rising in the context of super power rivalry.

Among the alternative behaviours to balancing and bandwagoning, as suggested by neo-realism, concepts of ‘binding’, ‘buffering’, ‘bonding’ and ‘beleaguering’, ‘hiding’, ‘transcendence’, and ‘specialization’ by weaker powers *vis-à-vis* great powers have been identified. In an analysis of external behaviour of small states *vis-à-vis* great power behaviour this typology is employed in this study. Further there can be several other behaviours as identified by Ikenberry (2001), Joffe (2002), Kagan (2003) such as ‘institutional co-binding to blocking’, ‘baiting’, and ‘legitimizing’ as alternative security strategies for states.

Studies on foreign policy are concerned about the strategic dimension of external behaviour of states. Foreign policy is a site for political action and actors have to decide on their course of political behaviour. While great powers pursue policies that shape the system, lesser powerful states, small and weak, adopt ‘defensive strategies’ (Hill 2003). Supporting multilateralism, or designing *niche* policies or *quietism* are among defensive strategies of small states (2003:246-49). Anders (2009) in "The Grand Strategies of Small European States" argues that small states have an interest in “promoting strong international institutions” and “normative policies”, “but in order to maximize their normative power, small states should use their position as marginal players to influence selected issues” (2009:13)

In the study of small states behaviour in the international system, realist theories have gained a prominent place (Hey 2003). Neo-realism with its systemic explanation of the unit behaviour as a consequence of structural constraints (Waltz 1979, Snyder 1991), hegemonic theory explaining the state behaviour in parallel to the recurrent patterns of the system (Gilpin 1981), and the balance of power theory (Morgenthau 1985) are three of the major theoretical enterprises employed in the study of small states in the context of great power politics. In facing the systemic constraints small states cannot rely much on domestic factors. Therefore, in the study of small state external behaviour, systemic variables becomes more relevant (Muhindo 2011). The small states are much affected by external constraints since the states have “narrower margin for error” (Waltz 1979: 184-

5). As another realist mentions, the material strength of the state- ‘defensible borders, large size etc.’ – helps it, whereas, those states which lack material strength become more vulnerable to international anarchy (Jervis 1978: 172-3). Small states may adjust their foreign policies facing the “external threats to national survival” but would be “less constrained by the domestic political process” (Elman 1995: 175).

Neo-realists have paid less attention to the domestic variables influencing foreign policy behaviour, but, nevertheless, viewed them to be important for analysis. Neo-classical realists have established that both unit-level and system level variables could work together in the design of any nation’s foreign policy (Taliffero *et al* 2009). According to them, “Unit-level variables constrain or facilitate the ability of all types of states – great powers as well as lesser states – to respond to systemic imperatives” (2009: 4). Also, Rose (1998) points out that “...the impact of power capabilities on foreign policy is indirect and complex...” (pp. 144-77).

Waltz observed that when preserving their own survival or maximizing power, states could use both internal and external means for balancing;

States...try in more or less sensible ways to use the means available in order to achieve the ends in view, Those means fall into two categories: internal efforts (moves to increase economic capability, to increase military strength, to develop clever strategies) and external efforts (moves to strengthen and enlarge one’s own alliance or to weaken and shrink an opposing one) (1979: 18).

Balancing is the means by which the states achieve their goal of security, power and the other ends in the system of international politics. The alliance making or attempts to weaken existing alliance are the ‘external’ efforts in this exercise called balancing by states.

Walt (1987) brought the idea that states could bandwagon with the “source of danger” while in balancing they join in alliance with others. As Dwivedi (2012) elaborates on this idea in the following lines.

If the system fails to provide a balance against an aggressor, individual nations respond differently to threat. Bandwagoning is joining the stronger side for the sake of protection and payoffs, even if this meant insecurity vis-à-vis the protecting power and a certain sacrifice of independence (Dwivedi 2012:226).

It should be clear then that in order to survive states have to ignore their independence and sovereignty at times. And bandwagoning behaviour, as well as balancing in alliance, is something that states choose when confronted by realities which cannot be tackled without following a strategic alliance or strategically joining the stronger.

Further, the balancing and bandwagoning behaviour of states depend on the capabilities. While balancing alliance may be 'formed with the weaker states', bandwagoning takes place with 'the stronger' (Walt 1987:110). In this analysis of state behaviour, according to Walt, the state leaders have a role in deciding on the type of allies they would join against the aggressive powers. Also strong powers could come into alliances in order to balance a weaker power which could pose a challenge. Further, balancing and bandwagoning behaviour could be decided depending on the context too. One time policy would not fit all the other times. Walt also says 'bandwagoning world could be much competitive', since states would try to side with the aggressors or stronger; the competition for power will increase (Walt 1987: 110-112). These options are, however, offered to states by the structural consequences mostly depending on the distribution of power in the system and availability of the capabilities among the states.

Hegemony

Hegemony generally refers to the state of politics in which one state dominates over all others (Konrad 2012). As we know the most powerful states in the international system are called hegemonies in IR, but this term does not convey successful control over the system by that state, except for its material capabilities; it is the Greek term *hegemonia* which stands for the idea of successful control with "acquiescence by allies or subject states", which also transcends the material capabilities and establishes hegemony through consent (Lebow and Kelly 2001: 595).

According to its modern version which Antonio Gramsci propagated in his *Prison Notes*, hegemony has a dual character, *i.e.* hegemony may be established by consent or by coercion (Howson and Smith 2008 in Konrad 2012). Gramsci displays the duality that is required by the states to establish hegemony in society through the image of centaur, a combination of half a man and a half a beast as used by Machiavelli (Konrad 2012). The

beastly or coercive nature and the manly or consensual nature of politics should work in tandem in hegemony as such. Lebow and Kelly (2001) explain the non-coercive dimension of hegemony as the control through 'legitimacy'. However, Mearsheimer defines hegemony only through military means; for him "no other state has the military wherewithal to put up a serious fight against it (hegemon)" (2001:40 cited in Yuan-Kang 2012; 131). Yuan-Kang explains that "A hegemon enjoys numerous security benefits" because in anarchic realms hegemons can go to accumulate as much power as they need and "in general powerful states have the best chance to defend themselves" (2012: 132). Though there are no modern territorial empires on earth, we often talk about US's global hegemony or China or other major powers' regional hegemony. In South Asia India is regarded as the hegemonic actor which others might want to resist. However, some have contradicted this notion of India being a hegemonic power (*see* Bhasin, no date).¹

Moreover, hegemony of one state means that there is over concentration of power in one pole; but this is more than material power as noted earlier, because hegemonies have to maintain their status mostly with the cultural, economic or political realms in the modern context. Therefore, the term hegemony may have many connotations which all can contribute for the complete meaning of the term. Yet, military, economic and political capabilities or influence are first priorities before a state establishes its hegemony over the others. US hegemony prevailed thorough the international system which was designed after the Second World War; the UN system, Bretton Wood financial system etc. were helpful to maintain global order that the super powers had much influence on. How Nye has viewed US hegemony with its soft power capabilities and military primacy would certainly convince us of the meaning of this term;

... 'US supremacy today extends to the economy, currency, military areas, lifestyle, language and the products of mass culture that inundate the world, forming thought and fascinating even the enemies of the United States' (Nye 2002 cited in Konrad 2012).

¹On the contrary, Madhavi Bhasin argues that India's role "cannot be compared to a hegemonic one and it has also not fulfilled the traditional leadership role" as well. URL:<http://www.globalindiafoundation.org/MadhaviBhasin.pdf> accessed 27/09/2015

Being a hegemon does not mean that resistance is absent or not found in the system. In a way other states in the system look for the hegemon to solve the global issues and some others would find to destabilise the hegemonic order: Prantel (2015) in an essay “Taming Hegemony: Informal Institutions and the Challenge to Western Liberal Order” explores this dilemma facing the US hegemony today:

...US hegemony today is no longer seen as the exclusive framework to solve urgent collective action problems—major armed conflict, nuclear non-proliferation, climate change, global financial stability. These problems are of global significance and litmus tests for two key properties of US hegemonic power: the ability to maintain order and to provide public goods (Prantel 2015: 449).

The argument presented above on the role of global hegemony of the US reveals that the status of hegemony has to be regularly maintained in order to obtain legitimacy from the international community. And, otherwise, hegemonic stability can collapse and lead to wars. Yuan-Kang (2012:132) shows that “managing hegemony is a dynamic process...” and “a hegemon will strive to maintain a favourable power advantage and defeat rivals that threaten its pre-eminence”. Thus hegemony is not necessarily a guarantee for peace in the international system and it leads to wars, because hegemony has to be maintained and preserved.

Issue of bringing Multiple Variables

We have not much discussed what Wohlforth (2008) identifies as “the diversity of realism”, or a typology of the realist approach, except for mentioning about some variants of Realism; classical, neorealist, defensive and offensive realist. A latest addition to realist paradigm has been neo-classical realism which is “a problem-focused sub-school within realism” (Wohlforth 2008: 140). Neo-classical realism is introduced as a theory of foreign policy by Lobel, Risman and Taliaferro (edited 2009) in the book *Neoclassical Realism, the State, and Foreign Policy*. In the introductory chapter of this book the editors state the approach of the new variant of realism in this way: Neoclassical realism displays the coming together of multiple factors in both domestic and systemic level, particularly in the analysis of foreign policies of the states (Lobel, Risman and Taliaferro 2009:13). Thus the new variant is an attempt to combine the theoretical explanations of both classical and neorealism, human nature realism and structural realism to transcend all three levels of analysis and display the complexity of relations and making external

policies of the states. Whereas Waltz (1979) argues against the reductionisms in political analysis, the new theory seems to touch both reductionist as well as broad systemic factors together.

Realism: A Theory of Great Powers?

Realism teaches that the international political system is shaped by the minority states of great powers² in the international system. Morgenthau identifies great powers as ‘first rate powers’ (1948:93). Similarly, Waltz views “the number of consequential states is small” and accepts that “viewed as the politics of the powerful, international politics can be studied in terms of the logic of small-number systems” (1979, 131). Correspondingly, Gilpin (1981) states “... those states that historically have been called the great powers and are known today as the superpowers establish and enforce the basic rules and rights that influence their own behaviour and that of the lesser states in the system” (p.30). In 2015, the online journal *American Interest* recognised seven great powers (real G-7) “ranked by their ability to shape both their immediate environments and the broader world”.³ The global power rankings awarded to these states are justified on their capacity to influence politics regionally and internationally.

Basically great powers shape the behaviour of ‘small states’, because small states are the majority but weak states in the system. The lesser powers thus historically not figured as system shapers, but as those who had to suffer within the milieu of power politics. In *The Melian Dialogue* Athenians point out this reality with regard to the issue of justice; “the standard of justice depends on the equality of power to compel and that in fact the strong do what they have the power to do and the weak accept what they have to accept”.⁴ Obviously, the equality of power as measured through objective criteria is not possible in

² See for a comprehensive discussion of great powers, Bear F. Braumoeller (2014) *The Great Powers and the International System: Systemic Theory in Empirical Perspective*.

³See, “The Seven Great Powers” by Walter Russell Mead (2015) [Online] URL: <http://www.the-american-interest.com/2015/01/04/the-seven-great-powers/>, accessed 29/06/2016. These seven powers are USA, Germany, China, Japan, Russia, India, and Saudi Arabia.

⁴See *The Melian Dialogue* by Thucydides, [Online] URL: <http://lygdamus.com/resources/New%20PDFS/Melian.pdf> accessed 1/07/2016

international politics. In this context, Waltz (1979) has offered the following objective criteria to measure the ranks of states in anarchical system.

States are placed in the top rank because they excel in one way or another. Their rank depends on how they score on all of the following items: size of population and territory, resource endowment, economic capability, military strength, political stability and competence (1979; 131).

Moreover, “In the international relations literature and world politics size has generally been connected to capability and influence” (Browning 2006: 669 cited in Wivel, Bailes and Archer 2014: 03). Therefore, “Traditionally small states have played a marginal role” in the design and “maintenance of international security” (Wivel, Bailes and Archer 2014: 03). Thus on the basis of great powers ability to maintain or influence international system and its security small states have been marginalised in the system. The historical practice of marginalization of the small states is vividly summarised in the following passage.

The congresses of Westphalia (1648), Utrecht (1713), Vienna (1814), Berlin (1878), Versailles (1919), and Yalta and Potsdam (1945), when the (victorious) great powers set the rules for the new state system, are illustrative in this regard (Bobbitt, 2001; Albrecht-Carrié, 1973). *Small powers, in turn, are characterised as helpless pawns in the grand schemes of the great powers.*⁵ As a result, a rich body of literature on the role of great powers in international relations exists, while the role of small powers has only been marginally scrutinised (Sweijts 2010: 2).

Though the lesser powers and great powers have similar functions⁶ (Waltz 1979: 128), political structure is much influenced by ‘distribution of power’ among states. Hoffman (2002) providing a forward to Hedley Bull’s *Anarchical Society* (2002 edition) highlights the similarities between Bull and Waltz and shows that both have distinguished between lesser and great powers.

Both accept the ‘anarchy framework’: international relations is the politics of autonomous states, without a common superior. It is the domain of self-help. Both therefore stress the importance of the distribution of power, and *particularly of the distinction between the great powers and the lesser ones.* (Bull goes on to a distinction of the types of great power behaviour in their spheres of influence.) (2002: p. xxv).

⁵Emphasis added

⁶ Functional similarity is found in states existing in anarchy; states compete, imitate and develop offensive capability as well (also see Mearsheimer 2001; Hyde-Price 2007: 52).

As Swejis emphasises ‘generally international politics has always been viewed as a game played by the top dogs’ and ‘the lesser powers have no substantial say’ in it (2010:2). Further “the great powers have constitutive, as well as distributive power: they determine the rules of the game, they fight the wars and they decide who gets what, over the heads of the other powers” (2010:2). Consequently, literature on Realism in IR has focused much on great powers. For instance, the structural theory of IR favours the great powers, and, as Buzan (2002) points out, ‘American primacy’ in particular in the recent times. While neo-realism has ‘defended centrality of states’ it has ‘especially’ dealt on ‘great powers’ (ibid p. 49). Usually, the binary of ‘security seeker’ and ‘aggressor’ have failed to recognize the small and the great powers in the system. The existence of small states, even though as subordinate actors in the system, help create the system as it exists today. The issue of small state security in the contexts of great power rivalries seems more pressing among many issues facing the international system. The small states would suspect the moves of the strong powers and attempt to counter them via improved capabilities in them. Both the bipolarity and unipolarity have experienced the same issue of security though the intensity of and the scale of violence could be different. The next subsection discusses the concept of regional power which is increasingly receiving attention in IR literature at present.

Regional Power and Hegemony

Regional hegemony is another term which figures often now in realist literature (Prys 2012: 4). Since we have dealt with the concept of hegemony separately in a previous section of this chapter, explaining the same here is avoided. Yet, regional hegemony needs to be identified in relation to its global counterpart, global or international hegemony. Hegemony represents overconcentration power in one pole and it is hardly resisted by lesser powers. Hegemony has a material (coercive or military power) dimension, as well as a non-material (order through consent) dimension. Hegemony’s maintenance needs to be concerned over both of these aspects to avoid resistance. In the regional contexts, hegemony can be defined further as ‘dominance of the area in which the great power is located’ (2004:564 cited in Prys 2012:4). According to Myers (1991:3

cited in Prys 202:04) regional hegemon has sufficient power to dominate a subordinate system.

Some argue that regional hegemonies can lead to a multi-polar distribution of power in the international system. They can create counter balancing efforts vis-a-vis the other great powers in the system (Mearsheimer 2001). Also the current unipolarity may be challenged if the regional hegemonies create counter alliances against the US (Paul, Wirtz, and Fortmann 2004). Therefore, it is important for the small states to identify the direction of regional hegemonic ambition before they bandwagon or balance against them. China's moves in South Asia has made India suspect its small neighbours' relations with the latter. Sri Lanka is a case in point in this regard and the study will explore this dimension when it discusses Sino-Sri Lanka relations. However, power transition theory would see the dominance of regional hegemonies differently. This theory generally views that hegemonies can make the system stable at the top (Nolte 2010:888). Yet, when hegemonies start to compete, something they are reluctant to do, the formation of 'the hierarchies' of hegemonic powers (Nolte 2010: 884-85) in the regions would jeopardize the international peace. Power hierarchies in the international system will affect the position of small states again and they will have to redefine their survival strategies accordingly.

Offensive Realist Mearsheimer talks a great deal about hegemonies. In his view "maximizing relative power to the point of hegemony is the ultimate aim of every state" (Toft 2005:384). For him "hegemony means domination of the system, which is usually interpreted as the entire world [but] it is possible to apply the concept of a system more narrowly and use it to describe particular regions, such as Europe, North-East Asia..." (Mearsheimer 1995:80 cited in Toft 2005: 384). As Toft explains through Mearsheimer's analysis "the regional hegemony is the principle strategic state aim" of the great powers, because the "global hegemony is virtually impossible" (Toft 2005:384). The regional power struggle and their vision derived from the national interest then needs to be scrutinized in understanding the current order of international politics and security.

Flemes (2007) points out that "regional powers can be distinguished by four pivotal criteria: claim to leadership, power resources, employment of foreign policy instruments,

and acceptance of leadership” (in abstract page). In relation to South Asian region too India’s hegemonic approach has desired to follow this criteria in its role in the regional sphere. The function of the regional power or regional hegemony is highly important for world politics in the current context, mainly because of the emerging issues in the ‘regional security complexes’ (Buzan and Waever 2003). In *Regional Powers and Security Orders: A Theoretical Framework*, Stuart-Ingersoll (2012) develops the argument that an examination of the regional systems and their approaches to security and its interrelation with the international system is necessary for understanding the current security issues and world order problems. He calls his framework to study regional powers and security issues, “Regional Powers and Security Framework (RPSF)” (2012: 03). He also mentions that the regional powers role can be explored even beyond their contribution to create security orders. As he views, the regional power’s leverage of power over the neighbours allows them to execute their national interest and have a ‘disproportionate success in bilateral relations’ (2012: 06). Further Stuart-Ingersoll brings to our attention the importance of regional powers through the work of Buzan and Waever (2003).

Regional powers define the polarity of any given RSC: unipolar as in Southern Africa, bipolar as in South Asia...Their capabilities loom large in their regions, but do not register much in a broad-spectrum way at the global level (Buzan and Waever 2003: 37 cited in Stuart-Ingersoll 2012:07) .

Understanding the international system through the regional powers in this way adds much variety to the study of international politics. The structural concepts of polarity, distribution of power and hegemony are thus brought to the study of regional hegemonies and their influence on the small states in return. South Asia is recognized as a bi-polar system by Buzan and Waever (2003) whereas some call it as unipolar (Krishna 2003). Likewise the regional sub-systemic study of politics and the small states strategies in facing the regional hegemonies is the focus of this study and at the case study of Sri Lanka and regional power India is discussed in the next section. Though small states have received the attention of systemic theory of IR, the treatment of theory on state capability and power has marginalized the significance of the existence of the small states mostly. The necessity for a realist analysis of small state behaviour in the context of regional powers competing for hegemony is a necessary exercise. At this juncture what

is proposed is a non-hegemonic study of small states following the idea of (Lee and Smith 2010: 2). Today, the ‘overwhelming majority’ of states in the international system are small states. It is understandable that ‘greater attention’ needs to be paid for their existence in many dimensions. This idea of non-hegemonic study of small states was first expressed by Richard Higgott in the study of political economy of international relations. He calls for “a ‘non-hegemonic’ study of International Political Economy in order to take more account of smaller states” (Lee and Smith 2010:2). Therefore, it seems, there is scope for small states studies to explore more the other aspect of non-hegemonic analysis such as the political resistance of small states in facing threatening powers, particularly in regional systems where they are immediately affected by the interest of the regional powers. The next sections explain the concept of small states followed by an introduction to the case study of Sri Lanka.

Small States

This section deals with the concept of small states particularly because it has been a fairly confused idea in the realm of international politics. The idea of being small or ‘smallness’ is quite differently approached by various analysts, and to find congruence in the conceptual sphere of the concept is quite a hard task though. Often the geographical size, population, GDP, military power, and several other elements of power may help identify the small states, but to establish a state is a small state is quite difficult if we do not have a proper idea of what we mean by great powers. Therefore, while accepting that the international system is populated by a diverse set of states (micro, weak, small, middle, major, great, super power states) which may not be compared to each other easily and possess unique qualities in them, in this study the idea of “small” is derived along the axis of state capability, capability to produce security or resistance capacity facing the threats in the international regional systems (*see* Jesey and Dreyer 2016: 3-20; Kassab 2015; Steinmetz and Wivel (eds.) 2010).

Many of the existing definitions of small state mostly signify the relational nature by which the small states are recognised in international relations. Since all the states which possess those major features are required to be called a state -territory, government, population (also sovereignty and international recognition) - are called states. Here the

idea of sovereign legal equality of the states is a well-established. However, the real praxis of international relations and also the main IR theories have offered only a small space for the 'small state' within the discourse of international relations (Lee and Smith 2010). In this context Keohane defines small states as “‘system-ineffectual’ states that can never, acting alone or in a small group, make a significant impact on the system” (Keohane 1969: 296 cited in Rothstein 1977:42).

Realism agrees that the ability of small states to impact on the system is less. Nevertheless, small members in the system may also contribute to alter the existing qualities of the system but realism is silent on that aspect of international politics. Realism's reluctance to explain in detail the small states behaviour is due to its systemic nature of explanation. Neo-realists have paid less attention to the domestic variables influencing foreign policy behaviour, whereas the neo-classical realists have established that both unit-level and system level variables could work together in the design of any nation's foreign policy (Taliaferro, Libel and Ripsman, 2009). According to them, “Unit-level variables constrain or facilitate the ability of all types of states – great powers as well as lesser states – to respond to systemic imperatives” (2009: 4). Also Rose (1998) points out that “...the impact of power capabilities on foreign policy is indirect and complex, because systemic pressures must be translated through intervening unit-level variables such as decision-makers' perceptions and state structure” (p.144-77).

Realism's reluctance to recognize the powerless members of the international system, however, hardly suggests that their life is entirely doomed in anarchy. Because, the 'absence' of the small state from the mainstream IR theory is what makes its 'presence' felt, provided we agree that great powers become 'so great' when the weak states become 'so weak'. The discourse of 'power and influence' in IR may often attempt to hide the presence, but 'the powerful' needs 'the powerless' to exist. Accordingly, Thucydides' predicament about the weak states – that “the strong do what they can and the weak suffer what they must” - bears many implications for this discussion (Derow and Parker 2003: 95). In this way, 'one party (A) acts on some other (B) which “suffers” due to the actions of the latter (A)'. This relation of power seemed to work only one way; that 'B'

may be not in position to make the 'A' suffer. And this is the existing understanding of strong power and weak power relations. Though this kind of analysis may not be sufficient to study small states, it should be clear that the idea of small state stays well within the discourse of IR theory and praxis; it is a historical construct connected with the notion of power and its implications. Therefore the notion of power mainly demarcates the small state's range of actions or the level of its struggle for survival or resistance that it can produce to withstand or transcend systemic constraints (*see* Hey 2014; Hiepko-Odermann - 2010; David 1971; Fox 1959).⁷ Yet, we need to further qualify this relevance of Realism for small state studies, because of its overemphasis of one dimension, great power competition for power and supremacy over small state struggle for mere survival, security and existence.

We have already found that the Realism has a large focus on great powers. But great powers explicate only one dimension of Realism, i.e. 'struggle for power' or 'amassing power', whereas its binary opposition, 'struggle for survival' should be common to all, particularly for those weak states, which are highly vulnerable in anarchy. Now realism as a theory clears the ground for using it to analyse the 'struggle of small states for survival amidst great power struggles' in world politics or regional political spheres. This study's theoretical framework then should be elucidated within the Realist approach, and its structural dimension.

Within the structural realist framework the vast majority of states suffer the inflictions or impositions by a few states, major ones; that is the system is unjustly constituted and small powers 'suffer' and struggle to survive.' This aspect has almost been left out from mainstream Realism. And our attempt in this study is not to reinterpret realism, but it makes us rethink whether we are directed to a peripheral theory of structural realism in

⁷These authors provide enough insights to assume that the power of small states in the international system needs to be explored more rather than narrowing it down to game between the great powers vs. small powers. Power of small states may also depend on several other factors for instance the strategic significance of them may offer them higher capacity to attract external cooperation from major powers (*also see* Šleivyte 2009; Goh 2005 for studies on strategic cooperation between major powers and small powers in different regions of the world).

this way. A ‘peripheral structural realism’⁸ should be mostly on the small state’s suffering and their struggle to survive. While we may come back to this theoretical point later, it is important to revisit some of the existing definitions of small states first. Next we are concerned with defining or pointing out some existing definitions of small states.

Though the literature on small states is relatively scarce (Choi 1995), some scholarly views on the concept of small state can be presented as attempts to give meaning to the idea of small state. In “The Analysis of Small Power Politics”, Erling Bjøl (1971:29) says that ‘a state is small only in relation to a great one’, therefore there is nothing much we need to bother about this concept. Rothstein has seen small states in relations to their inabilities: “A small power is a state which recognizes that it cannot obtain security primarily by use of its own capabilities”, therefore small states “must rely fundamentally on the aid of other states” (Rothstein 1968:29). Further he states that “the small power’s belief in its inability to rely on its own means must also be recognized by the other states involved in international politics” (Rothstein 1968:29). For him the inability of small states and recognition of such inabilities should take place simultaneously. Annette B. Fox, in *The Power of Small States: Diplomacy in World War II* examines another dimension of small powers that says the small states have ‘local demands’ while the great powers ‘exert influence over a wide array’ (1959: 03).

Strategies of Small States

Studies on foreign policy are concerned about the strategic dimension of external behaviour of states. Foreign policy is a site for political action and actors have to decide on their course of political behaviour. The balance of power systems or hegemonic systems in international relations presents states with some options that they could pursue for their survival. However, what exactly can the small states employ from among them requires separate research on them; because, the variety of small states such as micro states, small states or secondary states etc. may entail different and distinctive policies.

⁸ For a further discussion of this idea see, Schenoni and Escudé (2016) “Peripheral Realism Revisited”, *Revista Brasileira de Política Internacional*, 59(1): e002, 2016. Also, Escudé (2014) discusses the idea of realism in periphery in the backdrop of the ‘systematic political confrontations with US’ by Latin American countries.

However, this section presents some of the available strategies for the states in balance of power systems, as well as hegemonic systems.

While great powers pursue policies that shape the system, less powerful states, small and weak, adopt 'defensive strategies' (Hill 2003). Supporting multilateralism, or designing *niche* policies or *quietism* are among defensive strategies of small states (2003:246-49). Anders (2009) in "The Grand Strategies of Small European States" argues that small states have an interest in 'promoting strong international institutions and 'normative policies', "but in order to maximize their normative power, small states should use their position as marginal players to influence selected issues" (2009:13).

In another classification of small state strategies Choi (1995) argues that small states also use 'balancing' as a strategy against major powers; apart from that his typology of small state strategy includes military build-up, economic independence, neutrality, alliance, non-alignment, and collective security. Schroeder (1994), Paul (2004), Schweller (1994 and 2006), Kaufman *et al* (2007), and Nexon (2009) have studied the balancing and bandwagoning behaviour of secondary states against the great powers. While realists have distinguished between the theory of power balances, balance of power theory and theory of balancing (Nexon 2009), Waltz says that balance of power politics prevail wherever two, and only two requirements are met: that the order be anarchic and that it be populated by units wishing to survive (Waltz 1979). According to Realism the balance of power results from states behaviour with self-interests, the pursuit of *Realpolitik*. Some have concluded, however, that balancing is the best strategy for small states against the 'powerful aggressors', while others see bandwagon as the most common strategy of the weak (Inbar and Sheffer 2013: 182).

Due to their incapacity small states may not attempt hard balancing (Walt 1992) against great powers, but use multiple ways of external behaviour as identified by realists (Schroeder 1994 and Ian 2003). Walt (1995) in what he terms a sort of refinement of Waltz's theory argues that states tend to balance not due to power imbalances but due to 'threats'. Any local power may balance due to this threat perception (Mouritzen 2005: 87). In Realist theory alliance formation by small states is given two interpretations. First,

Morgenthau and classical realists view this as “the most important manifestation of balance of power” (Gaertner 2001: 125). Walt (1999) views alliances to be the result of balance of threat. Small states as they are extremely vulnerable to the external environment have to seek alliances with more powerful states (Walt 1987). Thus, due to their extreme vulnerability, they are supposed to prefer an alliance with a dominant power rather than risking an immediate attack (Walt 1987: 21-31). The bipolar world saw several alliances – military, economic etc- rising in the context of super power rivalry.

Among the alternative behaviours to balancing and bandwagoning, as suggested by neo-realism, concepts of ‘binding’, ‘buffering’, ‘bonding’ and ‘beleaguering’, ‘hiding’, ‘transcendence’, and ‘specialization’ by weaker powers *vis-à-vis* great powers have been identified (Chong 2003 cited in Karakatsanis 2005:4). These alternative behaviours are tested in several studies. Elgstörm (2000) in his book *Images and Strategies for Autonomy: Explaining Swedish Security Policy strategies in the 19th Century*, proposes that “small, neutral states face a choice between five main strategic alternatives within the confinement of non-alignment: the strategies of balancing distancing hiding courting and appeasement” (p23). In an analysis of external behaviour of small states *vis-à-vis* great power behaviour this typology can be employed in this study. Furthermore, there can be several other behaviours as identified by Ikenberry (2001), Joffe (2002), Kagan (2003) such as ‘institutional co-binding to blocking’, ‘baiting’, and ‘legitimizing’ as alternative security strategies for states. On the other hand, more different from the needs of the great powers, small states display ‘status seeking’ behaviour at times; they could seek the ‘prestige’ and ‘honour’ from an international system. Carvalho and Neumann (2015) in their edited volume titled *Small State Status Seeking: Norway's Quest for International Standing* focus on this status seeking behaviour of Norway’s external policy. According to their main claim of the study; “Status is a key driver in the policies of small states in the everyday life of international society” (2015: 01). Perhaps, as discussed later in this study, Sri Lanka’s behaviour within NAM during the 1970s may be viewed from this dimensions as a ‘status seeking’ one.

Sri Lanka as a Small State

This section explains which factors contribute to the claim that Sri Lanka is a small state. It explores this in the light of the definitions of small states provided above in this chapter and mainly looks at Sri Lanka's capability axis in terms of national security (its vulnerability), economy (weak economy), political cohesiveness (susceptibility for internal threats), interaction with major powers and state's ambition (dependency mindset) etc.

Second, the section presents a brief discussion on South Asia as a sub-system of international system and India's role within the system. The section will also explain the idea of regional polarity in relation to India's status in South Asia and concerns of the extra regional power in the region. Also a discussion on some of the major extra regional powers that this study deal with in relation to Sri Lanka's external relations will add to this discussion; the major extra regional powers include, USA, USSR (Russia), UK, and China.

National Security Concept in Sri Lanka

For most analysts of Sri Lanka's post-independence foreign policy security has been the major concern of the small state (Mendis 1992; Kodikara 1995). In this section discusses how the existing literature have conceptualized and approached the theme of national security of Sri Lanka during the period of study. Security as understood in Realist thinking is concerned with military security- with the aim safeguarding borders, maritime areas, internal cohesion, and territorial integrity. The first government of post-independence mainly was concerned about protecting its independence from some external element, probably its regional neighbour India (Melegoda 2000; Kodikara). The dilemma of security, therefore, kept the new nation in search of credible options and this aspect will be covered in a great deal in chapter 3 as well. Here the focus is on the development of national security consciousness, and the elitist version of security in Sri Lanka. We can term this search for security as an outcome of the 'post-colonial' world order and hence a 'post-colonial moment' to make a start with (*see* Barkawi and Laffey 2006).

Adding to the idea it can be observed that Sri Lanka's 'national security consciousness' is a post-colonial construct, and, therefore, it was 'Eurocentric' in character. Post-colonial theory would argue that national consciousness is a project of combining several elements in order to establish a modern nation state in the world beyond the West through establishing modern education and other state apparatuses. Anderson (1982) has analysed how a nation is constructed through a common framework of imagining as a nation supported by various instruments such as national census, mapping, newspapers etc. Independence from the British brought the national elite the challenge of creating a conceptual framework of national security and defence. Nation state was at the formative stage of independence and nationalism was not a converging concept of nation building, but rather a racial, religious or ethnic parameter to organize the political demands of different communities. Therefore, from the beginning of independence Sri Lanka was not a unified nation but it had a system of governance with democratic principles that never could assure that all ethnicities 'imagined' together as one nation. Anyway Sri Lanka's national security dilemma at independence was not too different from its contemporary period's idea of security in the newly independent former colonies.

The role of geopolitics is the first most established argument about the security concerns of Sri Lanka. Here Alfred Mahan's famous line must have also effected the way the elitists thought of security; he famously told that "Whoever controls the Indian Ocean dominates Asia. This Ocean is key to seven seas. In the twenty-first century, the destiny of the world will be decided on its waters".⁹ Adding to the same line of thinking Pundit Nehru had also proclaimed India should be "secure on Land," and for that it "must be Supreme at Sea".¹⁰ Therefore, the security of Sri Lanka was being influenced by the new and ancient knowledge of geo-politics. Thus from the beginning a structural or systemic idea of security was driving the new nation towards security, sovereignty and autonomy (Kodikara 1965; Kumara 2011).

However, we can also assume that Sri Lanka tended to imagine its national security with its own historical experiences and elitist leaderships requirements for defence of

⁹See URL: http://galledialogue.lk/assets/Research_Papers/2012/rear_admiral_rc_wijegunaratne.pdf

¹⁰*Ibid.*

autonomy and independence. Mendis (1992) explores from a realist perspective how the concept of national security evolved in the Sri Lankan state. The national security concept of Sri Lanka was closely linked to several factors including its geographical position, historical experiences of invasions, and South India's concerns over the ethnic conflict, weak military and economic power.

...the first Sri Lankan independence government feared for its security because of prevailing turmoil in Asia and it opted for the Defence Pact with the UK for protection. This suited the UK admirably because its own need for an ally and the strategic situation of Sri Lanka rendered it ideal for the purpose. At the same time Sri Lanka explored regional avenues for security. ...the SLFP government ... opted for neutralism and later Non-Alignment as a basis for security acting through international initiatives (Mendis 1992: 03).

The above citation from Mendis (1992) reveals that the two major parties which governed Sri Lanka after independence with regular shift of power approached national security differently by approaching two types of alliances; military and political. The two approaches reflected the systemic constraints and opportunities Sri Lanka experienced during the period, particularly the regional direction of external relations had a great impact on Sri Lanka after 1956, the era of non-alignment. From 1960 to 1977 Sri Lanka was aligned closely with India in the field of regional security. Sri Lanka shared India's maritime security concerns and worked to make Indian Ocean a region of peace. In the book, *Indian Ocean as a Zone of Peace: Problems and Prospects*, Kumar (2000) has analysed Sri Lanka's role in this regard. He points out that Sri Lanka played a major role in defining the concept of Indian Ocean Peace Zone at the Commonwealth Prime Ministers Conference held in Singapore in 1971, and due to its efforts not only the Sea, but land and airspace etc. were included in it (2000: 60). However, Sakamoto's (1988) study on the militarization of Asian region finds some contradictions which India and Pakistan found with Sri Lanka's early initiative to make Indian Ocean a demilitarized zone. Accordingly, India and Pakistan added pressure on Sri Lanka to concentrate on external powers in the issue and later on the two littoral powers have spent much on the naval build up which no other small power can challenge (Sakamoto 1988:195). Sri Lanka's security concerns about the region was driven by the two major powers in the region and their power rivalry has structurally shaped Sri Lanka's contours of Sri

Lanka’s national security. Further in the next section we read some of the existing views on Sri Lanka – Major Power relations to recognize Sri Lanka’s external policy direction which could be a response to its security consciousness and dilemma in regional set-up.

Weak and Dependent Economy

Sri Lanka’s economy since 1948 up to 2000 grew in many direction; yet during the entire period, Sri Lanka was recognized only as a ‘Third World’ economy, specializing in primary products production. Sally (2006) in her article “Sri Lanka: the Political economy of failure” says that “Sri Lanka is a one of the spectacular third world failure” (p.1). Moreover, she points out that “from the mid-1950s to the mid-1970s, Sri Lanka followed the Indian path of macroeconomic profligacy, rampant government intervention and inward-looking protectionism” (2006:4). However, she also observes that up to 1977 Sri Lanka had failed to succeed in economy, but the 1977 “economic liberalization and economic deregulation” as “progressive” (2006:1). Winslow and Woost (2004) also agree that post-1977 economic liberalization plus industrialization could increase the exports of industrial products largely. However, overall economic progress of Sri Lanka is ultimately tied to the assistance from international financial agencies and international aid group, consisting of countries mainly from the West. Sri Lanka has been entrapped in a foreign debt crisis since the mid-1960s (see Table 2: 1).

Table 1: 1 - Total Foreign Aid Receipts 1965-2000 (US\$ Million)

Year	1965	1975	1985	1990	1995	2000
Loans	15.8	44.2	367.1	604.3	505	442
Grants	05.0	57.6	219.3	197.0	182	71
Total	20.8	101.8	581.4	801.3	687	513

Source: External resources Department (cited in Abhayaratne, 2010: 208)

The receipt of debt by Sri Lanka has recorded a higher increase every decade or five year period. This dependency on the foreign aid is a mark of a less productive economy. Abhayaratne (2010) in the study of the ‘role of foreign aid and development’ in Sri Lanka observes that over the years Sri Lanka’s international borrowings have increased hugely. The following table shows the foreign debt of Sri Lanka as a percentage GDP.

Table 2: 2, Foreign Debt of Sri Lanka, 1977-2000 (as % of GDP)

Year	Public Debt (Rs. Millions)	As a Percentage of GDP
1977	10593	29.1
1980	22276	33.5
1985	67673	41.7
1990	176883	55.0
1995	346286	51.9
2000	542040	43.1

Source: Annual reports Central Bank of Sri Lanka, cited in Abhayaratne (2010:222).

Sri Lanka had to face huge economic problems due the high rate of debt service payment which drastically rose up since 1977 as shown in the Table 2:A. As Abhayaratne (2010) further analyses that Sri Lanka's foreign aid could not reap the benefits since it had to find the money for paying its debts back. In "Foreign Debt, Dependency, and Economic Growth in South Asia", Chaudhary (2000) argues that Sri Lanka was heading to a default stage as a result of foreign borrowings.

Sri Lanka and Bangladesh have the worst foreign debt to GNP ratio among the South Asian countries. The growing foreign dependency provides a signal for creditors' liquidity constraints for these countries. If the present trend of foreign borrowing were to continue in the future, these countries are likely to default (Chaudhary 2010: 555).

Therefore, this section by stating that Sri Lanka had been a weak economy during from 1948 to 2000 period, which was dependent on foreign markets for export income, as well as foreign sources for loans to fund the public sector expenditure and development activities. The economic dependency and the 'international debt trap' well make Sri Lanka typical case of a weak economy of a small state. Sri Lanka was weak as a country of lacking internal coherence of polity; as analysed in the next section.

With Extra Regional Powers

This study is concerned about Sri Lanka's relations with four extra regional major powers USA, UK, USSR and China which we assume could have played a significant in assuring the small state of its security and survival in the regional sphere while pursuing their own interest in the region. Sri Lanka's relations with great power states can be traced back to

the era of colonialism (Dewasiri 2008, Schrikker 2007, and Wickremasinghe 2006). Ceylon succumbed to foreign invasions and as analysts argue the post-independence leaders approached UK for security because of that historical mind-set and psychological fear (Mendis 1997). In dealing with the issues of national security, survival and sovereignty, relations of Sri Lanka have shown a continuity of dependence on great power economic, military and political assistances (de Silva 1993, Kronstadt 2009). Sri Lanka as “a local power whose demands are restricted to its own and adjacent areas” (Indorf 1985: 3, in de Silva 1993:372) has shown some typical characteristic of a small power bandwagoning and joining the alliances of great powers. The era of economic liberalization, starting from 1980s, once again seems to have pushed Sri Lanka into the alliances with extra regional powers. The security threat that the state faced from the internal conflicts in this period made her dependent on regional and extra-regional relations. Especially, Sri Lanka’s conduct of the ethnic war for nearly three decades required the great power cooperation in terms of military supply, economic assistance and political assistance in international forums (Goodhand 2005, 2006; Uyangoda 2007).

Gagameragedara (2011) has carried out a study on Ceylon and major power relations from 1948 to 1965, and has paid attention to systemic and domestic factors of foreign policy (Jayawardane 2013). Kodikara (1979) has studied strategic factors and their influence small states in South Asia and observes that major powers have intervened in the region for strategic reasons. Melegoda (2000) has studied the policies of first three Prime Ministers of Sri Lanka towards Britain. These studies mostly have detailed on trade, aid or security dimensions without serious analysis from an international theory point of view. The eras of Mrs Bandaranaike as Premier has been a major interest for the analyst in this period. Mostly, Nissanka (1984) has preferred the policy of Bandaranaike and shown his subjective bias at time in analysing the leadership of the world’s first women Prime Minister.

Throughout the post-independent era Sri Lanka’s external policy has been designed concerning the existence of Indian hegemony in the region (de Silva 1993, Pardesi 2005, Orland 2008). However, Nehruvian era of Indo-Lanka relations visualizes the consensual hegemony of India using its goodwill, friendly diplomacy and charismatic leadership.

Ceylon received political backing of India in multilateral forums like Colombo Plan, Bandung Conference, Non-aligned Movement and the UN during this period. Nehru's view on Tamil separatism in Tamil Nadu, Sri Lanka's ethno-national conflict were based on his egalitarian views. Nehru tried to allay Ceylon's fear of it becoming subjugated to India; "people of Ceylon has fear that this great big country, India, may swallow them up. It is totally unreasonable fear" (Nehru 2010a: 52).

India's intervention in the ethnic conflict in Sri Lanka (Kodikara 1989; de Silva and May 1991) and its responses to the shift in Sri Lanka's external policy towards the USA during the 1980s and China after 1990s required Sri Lanka to negotiate carefully while maintaining extra regional relations. As Rikhye (1990) identifies India has been seen as a 'natural super power' and was determined of taking its 'rightful place in that club' (p.82). India has a huge military capability (Devotta 2003) with one of the largest armed force in the world. India's large scale expansion of military capability has 'fuelled the power-ambitions' and further its 'climate of psychological insecurity' has led to formulation of a sort of suspicious neighbourhood policy (Gupta 1990).

Sri Lanka's relations with Russia have not been much documented. A major study in the area has been carried by Warnapala (2011) who offers a descriptive analysis of diplomatic relations with that state during the Cold War period. While presenting much information of diplomatic manoeuvres between the two asymmetrical powers, he argues that it was the SLFP-led coalitions which had developed very close relations with USSR. In fact after 1956 it was Bandaranaike who opened relations with USSR and the Communist world with the non-ideological bias towards foreign relations. However, SLFP has not succeeded much in pursuing Moscow for more economic gains in terms of financial aid etc. In *Soviet Policy towards South Asia since 1970*, Linda Racioppi (1994) comments that USSR's economic aid to India was higher than that of to Sri Lanka because Mrs Bandaranaike was unable to pursue the Super Power in that direction, whereas Sri Lanka's main relationship had developed with China during that period. After 1977 Soviet policy toward Sri Lanka became more ambivalent due to Sri Lanka's turn toward right-wing liberal economy, but the "USSR was careful not to offend the new regime" (1994: 99).

Sri Lanka entered the 21st century with the label of being a ‘failed state’ due mainly to the fragmented nature of her polity (Rotberg 2003), which could not hold to the territorial integrity of the entire state. Also the interventions of international human rights regimes in critically viewing the conduct of war by the military added to constraints the country faced during the latter period of the war.¹¹ As the systemic political constraints were affecting the autonomous behaviour of the state, the regimes in power seemed to be changing its external policy directions, deviating from the West and allying with non-democratic states like China (Samaranayake 2011). China’s soft power influence is another area that the Sri Lankan scholars have yet to pay attention. Literature on the Western influence written from diplomatic and foreign policy perspectives exist but more international political perspectives are required to understand the small state behaviour during the suggested period of this study.

Sri Lanka’s Non-Alignment

As a typical Third World small state strategy¹², ‘non-alignment’ was also known as ‘neutrality’ or ‘middle-path’ during the era of bipolarity.¹³ This study traces non-alignment as a part of Sri Lanka’s survival strategy and as also an outcome of sub-regional constraints on Sri Lanka’s external policy. Non-alignment finds no fixed meaning but it is mostly a pragmatic policy (Karunadasa 1997). Particularly, as Karunadasa (1997) explores, the pragmatic dimension of UNP’s non-alignment. Comparatively, the SLFP was following the Indian path in foreign policy and as Nissanka

¹¹See the report of OHCHR on Sri Lanka, [Online] URL: www.ohchr.org/EN/HRBodies/HRC/RegularSessions/.../A.HRC.30.CRP.2_E.docxA/HRC/30/CRP.2

[hyperlink doesn’t work; check it]

¹²See Sadri, Houman A. (1999) “Non-alignment as foreign policy: dead or alive”, [online] URL: <http://wiki.zirve.edu.tr/sandbox/groups/economicsandadministrativesciences/wiki/ed852/attachments/c2c00/week%202%20Reading%202.pdf> accessed 7/3/2016 [hyperlink doesn’t work; check it]

¹³See for a discussion on a the difference between the two terms, ‘neutrality’ and ‘non-alignment’ though they are interchangeable used at times; “What was the difference between 'neutral' and 'non-aligned' in the Cold War?”, [online] URL: <https://www.quora.com/What-was-the-difference-between-neutral-and-non-aligned-in-the-Cold-War>, accessed 03/07/2016

(1984) and de Silva (1981: 518) reveal that the SLFP as pioneer of non-alignment in Sri Lanka had a genuine commitment toward the policy especially during the period of SWRD Bandaranaike. Sri Lanka also earned much international prestige from non-alignment during Mrs Bandaranaike era and held NAM Conference in 1976 in Colombo. The West always suspected that Sri Lanka's non-alignment was a version of socialism which supported the leftists in indirectly. The study further will explore this concept and see how Sri Lanka faced international and regional constraints and became a 'third world spokesman against repression of the small nations' using NAM as a platform (Rotblat (ed.) 2001: 198-204).¹⁴

Militarization as a sign of State Weakness

Sri Lanka became increasingly a 'national-security state'¹⁵ in the post-1983 period. But the process of militarization had started after 1971 JVP insurgency (Mel 2007; Samaranayake 2008). The increased militarization of the state against separatists and terrorist elements could be considered as failure of the state to ensure political integration and provide security for all its inhabitants. As Wendt and Barnett (1993) point out domestic insecurity has contributed towards Third World state formation. The 'national security problem of the Third World was different from the First World' according to them. Applying this same argument to Sri Lanka after 1983, we can argue that domestic issues were the cause for its attraction of an external threat from India which allegedly facilitated the Tamil militants. In this study we consider Sri Lanka as a relatively small state due to its manifested weakness due to the inability of providing internal cohesion and ability provided for domestic issues without external support. Therefore the post-1977 economic and industrial growth could not change Sri Lanka's identity as a small and weak state, but began to project that in a large scale within a violence-prone and failed state. De Mel (2007) in *Militarizing Sri Lanka* presents rather a cultural and a sociological critique of the impact of militarization after 1983, but it also speaks about

¹⁴See D.L.O Mendis's speech at 'the Forty-eighth Pugwash Conference on Science and World Affairs', in Joseph Rotblat (ed) (2001), pp 198-204.

¹⁵See, David R. Mares 'the national security state', [online] URL:<http://pages.ucsd.edu/~dmares/National%20Security%20State.pdf>, accessed 3/7/2016

the state's limitations to accommodate plurality, which in our judgment strengthen the rationale calling Sri Lanka a failed small state. One can possibly see that the emergence of the violent ethnic conflict marked the beginning of Sri Lanka turning into a failed state.

The anti-Tamil pogrom of 1983 ends this line of emphasis. Faced with the features of a failed state tantamount to a crisis in Sri Lanka's modernity, incomprehension and horror follow, paving the way for the decline of political science analysis and the emergence of an anthropological discourse that begins to explain the violence in cultural, religious and ethno-nationalist terms (Jeganathan 1998: 32, 39 cited in Mel 2007: 28-29).

Civil war in Sri Lanka extended until 2009. And during 1983-2000, which comes under this study's coverage of analysis, it was the major cause for making the state failed and weak and a play thing of major powers and international normative regimes very often. Therefore, increased violence in civil war and failure to bring extreme violence under immediate control made Sri Lanka a weak state in the 1980s. The rise of authoritarian phenomena in the context of internal wars further proved that state weakness further suffered from the declining legitimacy of it. De Mel (2007) following Arendt (1969, 1970) further emphasizes on this point:

..there is an understanding, too, that a resort to violence and totalitarianism is a sign of weakness and loss of legitimacy within a political community (Arendt 1969, 1970). ...Excesses, whether of armed violence or totalitarianism, draw attention to humanitarian tragedy and disaster. They become the ground on which peace and human rights movements make their pitch (Mel 2007:50).

Further, the intervention of India, mediation of the West and economic constraints of the European states and human rights agencies make it more evident that Sri Lanka had lesser influence on international system and suffered due to lack of international recognition as a result of perpetual violence within its boundaries against its own citizens.

After 1977 Sri Lanka entered a different track of economics and politics in an attempt to succeed as a developed state in poverty stricken South Asia. This ambition was to be achieved through a path of democratic constraints and autocratic rule by the law system, the blue print of which was the 1978 Constitution. The Constitution had empowered a despotic ruler in the form an Executive President, transcending all powers of the

Legislature and Judiciary and making a ‘mockery of democracy’ (see Perera 1978). In order to follow a neo-liberal path of economic development and people’s rights this rigidity in the system of government was a structural requirement. However, the post 1983 scenario, the ethnic imbroglio between the Sinhalese and the Tamils, which was historically mystified, politically motivated and reconstructed in the post-colonial setting, was turned into a war of the majority against the minority. Perhaps, the post-1983 increasing militarization and securitization of the small state was a result of its non-adherence to sub-systemic level demands for keeping the extra-regional powers away from its closer association since the regional hegemonic ambitions was different, at least up to 1990.

Ethnic Conflict and India

In the context of domestic conflict and India’s regional power meditation in Sri Lanka was constrained in its external policy mostly during the 1980s. The period after 1990 again was an era which Sri Lanka’s ethnic conflict got highly internationalized (Bandarage 2009). On one side Sri Lanka’s image was being tarnished as state of extreme human right violations. Ethnic conflict existed from the beginning of independence and after that. However, its violent manifestations were seen in large scale as a civil war after 1983 (Sahadevan 1997, Podder 2006, De Votta 2004, Uyangoda 2007 and 2008, Wilson 1988 and 1993, Balasingham 2004, Richardson 2005, Kodikara 1983, Jayawardane 1987, Krishna (1999), Coorey (1997), Bandarage (2009), Jayasekere (ed.) 1992, De Silva (1995), Gunaratna (1993); Goodhand, Spencer and Korf 2011) . Many of the studies have traced the roots, process of devolution, violence, India’s role etc. of the conflict.

Krishna (1999) in his seminal work provides a textual and discourse analysis of what he terms ‘postcolonial insecurities of South Asia’ and refers to the term Indian hegemony with a new approach. He argues that India’s hegemonic ambitions were triggered after the creation of Bangladesh in 1971 and it reached its spectacular status during the 1980s, when Rajiv Gandhi exercised the theatrical meaning of hegemony over her small neighbours. Also Krishna points out that India’s neighbourhood policy was a twin

strategy, 'diplomacy' and 'covert exercises of coercive practices' through intelligence and anti-state elements.

The Indo-Lanka Accord is the major milestone of India's intervention since it could restructure Sri Lanka's internal governing mechanism with regions or provinces as the unit of devolution of power (Uyangoda 1994; Seevaratnam 1989). De Silva (1995) in *Regional Power and Small State Security, India and Sri Lanka, 1977-1990* presents a comprehensive account about the ethnic conflict, peace attempts and India's role in Sri Lanka after 1977. He explains that India applied coercive measures on Sri Lanka to change its course of military action on the LTTE militants. At one point he observes that the India's reactions were equal to "carefully orchestrated exercise in political pressure" on Sri Lanka when it was militarily weakening the LTTE (1995:217).

Sri Lanka's ethnic conflict became quite a theatre for exercising *realpolitik* of India and 1987 Indo-Lanka accord, followed by IPKF deployment in Northern Sri Lanka, was the culminating point (Krishna 1993). The major developments occurred when India got both Sri Lanka and Prabhakaran to agree on ILA and signed it in Sri Lanka in 1987. Dixit (1998) in *Assignment Colombo* has captured a vivid memory of diplomat's experience in Sri Lanka during the period of signing ILA. Kodikara (2010) is one who has applied a structural point of view to analyse India's role in Sri Lanka's conflict. However, mostly Sri Lankan analysts tend to describe Indo-Lanka relations within a hegemonic framework of regional power structure. For instance de Silva views India's overture was an 'unpalatable experience'; "In regard to external security the choices before a small state faced with a powerful regional power like India, seeking to fill a vacuum left by a colonial power arrangements are limited and intrinsically unpalatable" (1995: 332). Krishna (1999) has established that India was the unipolar power in South Asia and its relations with small states like Sri Lanka and Bangladesh are linked with those countries internal issues, mainly ethnic conflicts. Uyangoda (2007) points out that India's intervention was to introduce the concept of "devolution of power" to Sri Lanka. He sees Indian intervention as an attempt to bring the "reluctant Sinhalese political leadership" to think of "credible alternative to war" (2007:21). As a whole, ethnic strife led to political

and economic destabilization of Sri Lanka¹⁶ and made it a reason for the intervention of regional and extra regional powers in it in many guises (Samarasinghe 2003). Therefore, it added to the small and weak power in a strategic spot of Indian Ocean where several major powers are competing for supremacy.

Sri Lanka's elites were highly conservative and attempted to retain the system inherited from the colonizers. The small states depend on aid and they are mostly the 'third world' countries (Rothstein 1977); they are weak economies lacking capabilities in economic, military, technological means. Sri Lanka at independence was a small state with all these characteristics. Therefore, its existence had to be considered from many dimensions, not only from external security perspectives or internal security, but economic survival, social cohesion etc. In order to read and analyse Sri Lanka's case study this framework of defining small states could offer much explanatory freedom and analytical power. The multiplicity of the small states' survival struggle requires a carefully carved out strategy and the next section deals with the multiple strategies of small states for survival in the world political and economic milieu.

Mostly the existing studies use the terms such as 'the weak state, small state or small powers' interchangeably. Mostly, the studies of small states are concerned about security strategies – balancing or bandwagoning- foreign policy, role in international organizations, non-alignment, regional policies, economic policies etc., among the major issues studied include 'autonomy, dependence on major powers and regional and international constraints, hegemonic powers and their influence'. The relationship between the great powers and the small states remain an asymmetrical affair (Acar 2008). State authority in the international realm is a matter of states' capabilities and influence. Although every state would pursue its national interest through their external policies, the degree of achievement depends on the power they can leverage on the system (Stein 2010). Great powers, since they can exert much coercive and normative authority on

¹⁶Samarasinghe (2003) argues that "violence destabilizes and the economy and political system" and 'destabilization' in turn 'feeds the conflict' (p. 13).

small states, would like to see that their interests in certain spheres of influence remain intact (Neumann and Gstöhl 2004).

Finally, in this review of literature, the bias of Realist IR theory to explain great power behaviour is understandable, but since, structurally all the states have to adopt some sort of balancing strategy, internally or externally, this study tends to expand the external balancing into the domain of the small states as a strategy for survival among many other such strategies. Regarding the case study, Sri Lanka, the existing studies on external policy of the small state have hardly being studied from IR theory perspectives and they remain, more or less, accounts of diplomatic histories of Sri Lanka's relations with the major powers. Indo-Lanka relations have been studied focusing on individual, state and systemic level factors as the determining variables. Mostly, personal and state level variables have dominated foreign policy analysis of Sri Lanka. Only a few analysts have explained the importance of using structural variables, but those studies are bound by time and context, hence explain a historical period. Theories of balance of power are not a very popular way to analyse Sri Lanka and external balancing has not been given due consideration in many cases of advanced research studies on Sri Lanka's external relations.

Rationale and Scope

Realism is the most prominent theory of IR and testing its various components remains an important task. This study will test the theory of external balancing in relation to the external behaviour of a small state, Sri Lanka *vis-à-vis* regional hegemony India. The study, therefore, addresses an existing gap in the theoretical literature of realism through this study. Small state in regional systems have been given less concern in IR reach, whereas the regional powers are receiving academic attention in the current context. The role of Sri Lanka in the evolving regional power structure will be crucial for geo-strategic and politico-economic reasons. If the current struggle among the powers in the Indian Ocean is to be increased, the positioning of small states in that power struggle will be very important. India, China and USA has increased their interactions with Sri Lanka in the post-war scenario. Chinese trade and investments are on the increase and Sri Lanka has allowed it to build harbours in its coasts. The empirical is ready to undertake an in-

depth-study on the major powers' liaison with Sri Lanka and India's relentless concerns over their external policy moves at the current context. The India's alliance with the US, China's regional completion and the decline of non-alignment as the third option for bloc, politics have all provided the rationale to undertake this study of Sri Lanka in order to test a case on external balancing in a regional subsystem of power.

The empirical scope of the study spans from 1948 to 2000, covering three eras of international power shifts, bipolarity (1948-1990), unipolarity (1990 and after) seemingly transition to multi-polarity after (2000) during this period. Therefore, the study explores the attempts of external balancing of Sri Lanka at least two distinct periods of international polarity. The events covered in the study are, mostly, the most significant policy preferences, practices and shifts in the external policy of Ceylon (before 1972) and Sri Lanka (after 1972). Theoretically, the major attention is given on external balancing strategies of small states while also looking at the alternative styles of balancing which are described in the literature review above. Mainly, the focus on external balancing in association with major powers are limited to four extra regional powers only, namely, USA, UK, China and USSR (Russia).

Research Problem, Questions and Hypotheses

The existence of small states in anarchical regional systems can bring a two-fold threat, one is the fear of anarchy and the other is the fear of a preponderant power, if the sub-region is led by a state which holds a greater advantage of power against the other states in the system. Very often sub-regions can be subject to the hegemony of the preponderant power causing the small states to lose their autonomy and sovereignty. Therefore, the autonomous existence of small states in such sub-regions require to take additional efforts to transcend sub-systemic pressures through their external policy in the first place. Not all small states somehow would resist or possess the capacity to produce resistance the preponderance of power in one state in a sub-region and thereby the threat perception it would create on the small states. Therefore they would try to bandwagon with the threatening regional power. However, the state which chooses to preserve their autonomy and independence would have to develop strategies which should be sound enough to balance the interests of the regional powers. Internally weak small states that tend to

balance regional powers or at least create resistance against them need additional external support from extra-regional powers. The asymmetrical power relation between Sri Lanka and India give us a hypothetical case to examine this puzzle of a small state's capacity resist regional power and hegemony. This case, therefore, investigates the attempts of Sri Lanka to withstand regional systemic pressure, particularly in association with extra regional powers, since its independence and aims to find out how far it has succeeded or failed in that effort of the search for autonomy and sovereignty in a world of anarchical existence.

In the operationalization of this research the study would pose some research questions as well. In the first place the study would investigate how the small state strategized its international behaviour existing in the presence of a regional hegemon. Second, it inquires about the nature of Sri Lanka's relationship with extra-regional powers, the USA, USSR (Russia), Britain and China. Also the study questions as to how much of Sri Lanka's policy toward external powers used fear of India as a factor. It will also find out whether Sri Lanka's relations with USA and China had got a military dimension. Further, the study would also question whether China has helped Sri Lanka to improve its capabilities. And finally, study would explore whether the presence of other major powers- UK, USSR and Pakistan helped counter India's motives to dominate the behaviour of the small state during the period of study, from 1948 to 2000.

This study employs two hypotheses to investigate the external balancing behaviour of Sri Lanka. First, the study is concerned about the threat perception of Sri Lanka towards India. The threat perception is likely to emanate from various factors; prominent among them maybe the sheer material power, geographical size and proximity of existence of India, and Sri Lanka's historical experiences of relentless invasions with India. Also the post-independence power vacuum created by the departure of the British in the region would have further added to the threat perception of Sri Lanka toward India. In that context, the study would first hypotheses that the perception of threat about Indian power has continuously guided Sri Lanka to adopt an external balancing behaviour by trying to ally with external powers. Second, the study also hypotheses that among a number of

extra regional powers that Sri Lanka Sri Lanka has sought the alignments with China and USA mainly to gain external balancing capacity *vis-à-vis* India. Likewise, guided by these hypotheses this study would investigate this case study of Sri Lanka's external balancing behaviour in the sub-regional sphere of influence in South Asia.

Research Methods

This research will be conducted within the broader framework of qualitative analysis supported by realist theoretical and conceptual tools in IR for analysing data. The research concerning the international behaviour of Sri Lanka requires gathering data pertaining to Sri Lanka's relations with USA, China, the UK, USSR and some lesser powers and regions mainly. The research will be analysing data collected from both secondary and primary sources. First, the secondary texts included materials such as books, journal articles, and publications by Sri Lanka's foreign relation departments, and newspaper and magazine articles and news items published online and in print published on during the period of study. The study was concerned with the documents published in both English and Sinhala languages. Books, articles, unpublished work on the theme were collected from libraries and online sources. The second part of data collection was concerned with the primary data which remains as unanalysed raw data. These data were gathered from the treaties, bi-lateral and multi-lateral agreements, declassified diplomatic histories (mainly from sources of the Office of the US Historian, India's External Affairs Ministry and Sri Lanka's Archives and a few from WikiLeaks) statements by the diplomats and foreign ministers, Head of States diplomatic reports, biographies and collected volumes of state leaders etc. Much of Sri Lanka's foreign policy documents published as collective volumes and deposited in the National Archives in Colombo were explored. Also documents pertaining to Indo-Lanka relations are also published in five volumes up to the period of 2000. Some chapters are heavily dependent on Sri Lanka's Parliamentary *Hansards* (from 1947 to 2000). Also websites of political leaders, SWRD Bandaranaike, Chandrika Bandaranaike were helpful in accessing most of their speeches.

Finally, the qualitative data interpretation mainly requires analysing data through analytical perspectives provided in theories. The theoretical lenses used in this study belong to the broader Realist School of IR, but mainly to the variant of neo-realism or

structural realism. Also, the periodization in chapters were mainly made with the logic of highlighting some landmark years in the history of Sri Lanka's foreign relations, domestic politics and international power shifts. Nevertheless, the argument made in the study is not bound by time or any period and they all contribute towards analysing the central problem of the study. The study has also faced several limitations in terms of gathering data and organizing them in their importance. For instance in chapter three, Ceylon's relations US and China have depended much one major source, *Foreign Relations of US (FRUS)* and some foreign newspaper reports published online. The declassified documents may have not included several important secret diplomatic documents but the study had to depend on what is available for access freely. Moreover, military relations related archives are very less in open circulation for access and only a very few of them were managed otherwise depended on secondary sources for such data.

Overview of Chapters

The first chapter provides an introduction to the entire study. First, it explains the background of the study and moves on to analyse the existing literature that informs about the theoretical and empirical caveats for undertaking this study. The literature review first deals with the theory Realism in IR focusing on some aspects that guide the analysis of this study. Mainly it deals with some definitions of realism, concepts of anarchy, security, balance of power, balancing and alternative state behaviour, the concept of hegemony and also briefly deals with variants of realism- structural, neo-classical and structurationist theories. The second part of the literature review introduces the concept of the small state and also deals with the case study related literature, exploring some gaps in the studies of foreign relations of Sri Lanka. Thirdly, the literature review focuses on the concept of regional power and hegemony, concerned mainly with India's role in the regional subsystem. Next, this chapter deals with the research problem, questions and hypotheses, and research methods, and limitations etc. and the chapter outline is give at the end.

Chapter two is dedicated to study Ceylon's relations with major powers from 1948 to 1956. The chapter largely deals with Ceylon's relations with four powers; the United Kingdom (UK), United States (US), India, and People's Republic of China (PRC). It also includes a section on Ceylon's then evolving regional and international relations and the idea of the middle path. Mainly, this chapter argues that Ceylon had a rational approach towards national security and suspected India as a threat on its autonomy, sovereignty and newly gained freedom. This chapter explores how Ceylon dealt with its security issue and deals with its military ties with UK. Mainly this chapter argues that security transcend military, economic, diplomatic and political realms of international relations, and then the sum of such all relations contribute for constructing a security focused foreign policy for the small states.

Chapter three studies another particular time period of Ceylon's/Sri Lanka's foreign relations spanning from 1956 to 1983. This chapter explores relations with four major powers US, UK, USSR, and China, in addition to its relations with the Commonwealth of Nations and some other significant regions such as the Middle East and communist bloc countries and the allies of the West. This chapter argues that Ceylon's relations with major powers and other contributed for establishing its international image and create a niche for it among them as a country that followed an independent foreign policy moving away from the UK's shadow. Also, the chapter highlights that rather than antagonizing the regional power, the relations with major powers had taken the footsteps of India hence different to its previous era policy attempts to bandwagon with India. However, this chapter also examines how the regular shifts of power between the two major parties brought a different dimension to its relations major powers, as the United National Party (UNP) and Sri Lanka Freedom Party (SLFP) had different world views.

Chapter four is an extension of the study of the same period, 1956-1983. This chapter particularly focuses on the themes of non-alignment, multilateralism and relations with India in Ceylon/Sri Lanka foreign policy. I argue that Sri Lanka turns from alignment with the West non-alignment as a response sub-systemic influence and uses multilateralism to approach international politics with a normative tilt. Also chapter examines that Sri Lanka attempts to make a balance between relations with India and

China particularly. Further, chapter draws attention toward Sri Lanka's role in the third world issues, its attitude toward great power aggression and more importantly its successful relations with India concerning several bi-lateral issues during this era. However, chapter also observes that towards the early 1980s Sri Lanka-India relations turns into the direction of hostility with the emergence of the ethnic war in Sri Lanka and the liberalization of Sri Lanka's economy.

Chapter five studies the period from 1983 to 1990. This period marks the beginning of Sri Lanka's violent ethnic war and the development of a hostile relationship between Sri Lanka and India. Chapter argues that Sri Lanka in association with the West and China attempted to design an intense balancing strategy *vis-à-vis* India.

The chapter focuses Sri Lanka's relations major powers, UK, USA, and China, and some lesser powers, including its military relation with Israel as well. In the section on relations with India chapter deals with the development of events that led towards Indian intervention in Sri Lanka's conflict in the late 1990s and the arrival Indian Peace Keeping force (IPKF). Also, the chapter has dealt with the concepts of regionalism and non-alignment while examining the economic dimension of the foreign policy as well.

The sixth chapter is on the period of Sri Lanka's foreign relations after 1990 and up to 2000. The era of global unipolarity and changes in power alignments in the Indian Ocean brings a different dimension of foreign policy challenges to Sri Lanka. The year 1990 marks the withdrawal of the IPKF, as well as the decline of the USSR and the Communist bloc. India's liberalization epoch also beings in this period and it adopts a different policy towards Ceylon's ethnic issue during this period. Chapter argues that while facing local economic and military security challenges Sri Lanka attempts to be closer to the West and India during this period. The challenge of fighting a war without getting isolated from the international community due to human rights violations was a challenge for the country; and its normative record of politics required positive adjustments during this period. The chapter observes that while India –Lanka relations enters a period of liberalized trade, Sri Lanka's energy was spent on curbing local terrorism and its international linkages.

The last chapter, chapter seven, is devoted to the conclusions. This chapter summarises the findings of all chapters and presents all the conclusion drawn in each chapter. The major function of this chapter is to examine whether the hypotheses of the study have been verified through the research or not. Chapter outlines all major arguments, examines whether the major research questions have found their answers and ends by presenting thesis conclusions and pointing outs possible themes for future research.

Chapter 2

Freedom of the Weak: Ceylon-Major Power Relations, 1948-1956

Introduction

Kenneth N. Waltz in his essay “The Stability of the Bipolar World” shows that the freedom of weak states¹⁷ implies the weakening status of the strong (Waltz 1964). When weak states align with strong states they create an unequal alliance of powers (*Ibid*). This provides a fitting opening for an analysis of relations between Ceylon and Britain during the initial stage of bipolarity, in this case the 1950s. Ceylon’s transition from a colony to ‘independence’ as a dominion state owes much to the structural changes in the international system, particularly, due to the weakening status of the colonizers. The United Kingdom (UK) was compelled by its waning hegemony to free its colonies. Yet, in Ceylon the UK would persist with its presence for some years after independence, and this chapter is concerned with that era of Ceylon’s “flawed independence”¹⁸ as a weak state.

In Ceylon, the establishment of electoral politics dates back to 1929 with the beginning of the universal franchise, and the Ceylonese were more or less trained in the democratic electoral system, though their representative character was more ethno-centric.¹⁹ With the Independence Act²⁰ being designed, the United National Party (UNP) of Ceylon was

¹⁷ In classifying the states along the capability axis rather than geographical size or other quantitative elements, ‘weak states’ are identified to be security seekers, and the strong as security providers. The second chapter has defined the concept of small/weak states.

¹⁸See, Nira Wickremasinghe (2010) argues that Ceylon did not enjoy independence but what it had received was a “flawed” freedom from the British, since the colonizer still was around and guiding the small state in many ways.

¹⁹ Ceylon inherited democracy from the West; but the democracy soon germinated with localized meanings and character, while ethnic, caste and religious issues were taking a central stage in representative politics. Also see for explanations of ethnic politics in Sri Lanka, Tambiah (1986), Uyangoda (2007), Wickremasinghe (1996) etc.

²⁰ Independence Act was a result of long debates and several other preceding documents. Melegoda (2000), projects the Independence Act as an achievement of some individual leaders such as D.S. Senanayake, while this argument has some truth since Ceylon was represented by the leaders in the caliber of him, the

elected to power as the colonizer receded from the seat of power in 1948. The UNP remained in power up to 1956 under the leadership of three Prime Ministers, all having comparable loyalty towards Britain, in particular, and the Western power bloc, in general.

In this chapter, the major focus will be on the affirmed alliance of the dominion of Ceylon to Britain and its anti-communist attitude which tied it hard with the Western power bloc which in turn guaranteed security for Ceylon to experiment with its autonomy in South Asian region at least for a short period. Within the scope this chapter, then, I study Ceylon's attempts to survive as an autonomous unit in South Asian subsystem through multiple perspectives, political, economic, diplomatic, and military security. Also, this chapter attempts to probe deeply into Ceylon's relations with major powers while examining the complexity of the issues it had to face both in the regional and the international realms.

The first section starts with a discussion on Ceylon's goal of national security and how it reasoned out the goal of security in the immediate circumstances of independence. Focusing on the measures that Ceylon adopted to assure security for the new nation-state in association with the British, this analysis will build on Ceylon's British policy under a few topics - Ceylon-UK defence and external affairs agreements, strategic interests of the British, local bourgeoisie interests, and the Commonwealth connection. The second section turns to look at the emerging political structure of South Asia with the ascendancy of India to the leadership in the region. The section attempts to analyse, *inter alia*, how Ceylon responded to India's attitude toward regional security and regional integration. The third section is on Ceylon-US relations. And this discussion focuses on how the great power affected Ceylon's external environment and what measures the small power adopted address the concerns of the great power. The fourth section views Ceylon's relations with the communist bloc, largely focusing on China. The fifth section explores

argument should also take into consideration of the other local elements such as leftist rebellions, nationalist movements, agitations, *satyagraha*, etc. However, while these local factors had a role in independence, the structural or systemic factors forced the UK to free Ceylon when India had already been freed by that time.

Ceylon's role in multilateral forums with a focus on the pragmatic dimension of normative politics during the international bi-polarity.

Mainly, this chapter argues that the Ceylonese strategy to deviate from India's regional security and political design was laid along ensuring greater military, economic and political and diplomatic cooperation with the West (mainly the UK and the USA) and China. The elite intention, as I argue in the chapter, was foregrounded on the belief that India had great power ambitions and would not allow the autonomy and sovereignty of small states unless they are able to produce resistance capacities, mainly in alliance with the extra-regional major powers. Nevertheless, the chapter explores in detail the intricacies of Ceylon-India affairs within the complexity of bi-polarity and the emergence of an alternative sphere of politics along the path of 'non-alignment'.

Section 1: Primacy of Security: Relations with UK

Realism teaches that states offer a foremost place for the apparatus of security in the management of both internal and external affairs.²¹ Small states very often struggle for security due to their incapacity to produce it by themselves internally and also they are more vulnerable to security threats from the more powerful states. Ceylon at independence was puzzled by this reality of world politics and relations among the states existing in anarchy. Ceylon historically existed in the sub-regional sphere of South Asia relentlessly confronting external attacks (Mendis 1997). Post-colonial state apparatus of Ceylon therefore is driven to face the international and regional arena with a historically convinced understanding about security threats emanating from the anarchical regional environment in particular and the international environment in general. Ceylon's security was both perceived due to state incapacity and external anarchy. Uyangoda and Bastian (2008) exploring the 'security dilemma' of Ceylon interpret it as a result of both external and internal factors. According to them,

²¹Many argue that concept of security has acquired different meanings over the years, yet, primacy of military security still remains the largest obligations of almost all the states. Waltz (2000) in "Structural Realism after the Cold War" provides a sound analysis to sustain our argument in this case. Also see, "Mearsheimer's World— Offensive Realism and the Struggle for Security", a review essay by Snyder (2002)

The initial ‘insecurity perception’ of the Sinhalese political class, who became the rulers after the political independence of 1948, was shaped by both external and internal dimensions that were, interestingly, linked to India. Sri Lanka’s smallness as an island state with a giant neighbour, India, in close proximity seems to have created a specific psychology of insecurity in the country (Uyangoda and Bastian 2008: 12).

The political power of Ceylon was shifted into the hands of the elite of the majority ethnic group, Sinhalese and they had to lay the foundations of state security apparatus first. And their fears of securing the independence was mostly linked to geopolitical factors. According to de Silva (1996) “Sri Lanka’s geographical and political separation from the Raj – British India – had a ‘profound impact on the political thinking and the strategic vision of annexing small neighbouring countries’” (also cited in Uyangoda and Bastian 2008: 12). During the colonial period, therefore, “Sri Lanka ran the risk of being annexed to the Indian state, as was the case of Sikkim and Goa” (*Ibid*). On the other hand, as Ghosh argues, ‘the British considered Sri Lanka as an integral part in its concept of strategic unity of South Asia’ (Ghosh 1999: 45). Similarly, post-independence India’s strategic thinking also had visualized the importance of its neighbours for India’s security that is obvious from its vision of a Federation of States (Nehru 1956: 548). Ceylon’s security conception, in this way, was shaped greatly as a response to this influential strategic thinking of India, and ironically the independence from the British had driven Ceylon into the task of assuring its survival first in the regional sphere of relations.

The first Prime Minister-in-waiting of independent Ceylon, D.S. Senanayake who put forth the motion of Independence in the House of Representatives in December 1947 also knew that the small island was positioned in a “strategic highway” (Trivedi 2008: 262), and he feared the vulnerability posed by such positioning:

The defence of its country is one of the primary obligations of an independent State, and this is not the sort of world in which small nations can be secure without large and expensive armed forces. We are in an especially dangerous position, because we are in one of the strategic highways of the world. The country which captures Ceylon could dominate the Indian Ocean (*HRD* December 1947, col.444).²²

²²Also cited in “National security — first priority of a nation state”, [Online Web] URL: <http://www.island.lk/2001/11/03/featur01.html>

The perception of the first leader of independent Ceylon on the matter of national security is explicitly premised on the *realpolitik* notion of security, that military security becomes *prima facie* the ultimate guide for a nation's security in an anarchical environment. The strategic position of the country itself has created its vulnerability. In his terms, the dilemma before the country was whether or not to build a 'large and expensive armed force'. Though his words exaggerated the security vulnerability of Ceylon in terms of its need for military protection, it also addressed another dimension of national security, economic security²³, which largely determines the other capabilities of any state. The perceived security vulnerability of Ceylon pertaining to its strategic geographic position in the Indian Ocean was also linked with military, maritime and economic security.

The 'dependent capitalist economy' (Ponnambalam 1980) that Ceylon inherited from the British had structurally placed the country in a position which required a careful handling of relations with its predominantly Western trading partners. The loss of sea routes, therefore, could jeopardise the state's international trade and so capacities for maritime security had to be secured somehow (Perera 2015).²⁴ The following lines in the same speech captured this dimension well:

Nor is it only a question of protecting ourselves against invasion and air attack. If we had no imports for three months, we should starve, and we have therefore to protect our sea and air communications. I was in charge of food supplies and rice during the war and I know how much we relied on the British Navy and the British Air Force for our food supplies. ***Frankly, I cannot accept the responsibility of being Minister of Defence unless I am provided with the means of Defence*** (emphasis added) (HRD December 1947, col.444).

²³See, Sheila R. Ronis (ed) (2011) *Economic Security: Neglected Dimension of National Security?*, Center for Strategic Conferencing Institute for National Strategic Studies by National Defense University Press Washington, D.C

²⁴ Gen. Dennis Perera (2015) argues for the importance of maritime security for Sri Lanka and the littoral states of the Indian Ocean, see, "Sri Lanka-The Littoral State: Its Significance And Role In Maritime Security In The Indian ocean", URL:

http://www.navy.lk/assets/images/news/event_news/2015/August/2015_08_12/Gen_Denis_Perera_oration_CofN_11_08_2015_new.pdf, accessed 15 Oct. 2015.

Senanayake's reluctance to accept the 'responsibility' of the provision of national security though points at several other dimensions that the internal systemic environment thrust upon the newly independent nation. In his words, it is 'not a world where the small states can be insecure' (*Ibid*). The obvious ambiguity in the choice of words that the PM used in the speech illustrates a fear of the uncertain nature of the regional leadership in waiting. Also the sheer weakness of the state which is placed into the anarchical international system with its new status of 'freedom' was revealed when the Prime Minister stated in concrete terms what he required for defence; "I require guns, tanks, fighters, bomber aircraft, aircraft carriers, cruisers etc.,- what is the good of freedom if we cannot defend ourselves?" (*HRD* December 1947, col. 444). Nevertheless, as a small nation, dependence on major powers was the reality to be faced as Ceylon lacked military capabilities. This is made clear in the words of Senanayake when he said, "we cannot defend ourselves...Nor can we afford to pay anybody to defend us" (*Ibid*, also cited in Karunadasa 1997:14).

In Ceylon's motion for independence the leaders of the ruling party focused excessively on the importance of securing an alliance and partnership with the British. Senanayake's lament over the lack of military power in Ceylon, once the British troops left their bases, was used to justify future plans that involved retaining some British troops on the isle.

Ceylon's response to the systemic pressures on its security was expressed through its willingness to allow the British to remain of the state in the post-independence era. The recognition of the British as the alliance partner has been highlighted as an outcome of purely domestic factors (Melagoda 2000; Karunadasa 1997). The choices in the hands of Ceylon were very limited in the rapidly changing international structure of power in which the British were rapidly losing power to the USA and the USSR.

Thus, the first independent government of Ceylon realised that in the absence of its own military power it needed an alliance with UK, and thought that responsibilities in the areas of defence and external affairs should be shared with the UK. How this decision would affect perception of its sovereignty in the eyes of the other states in the region and elsewhere, especially the countries of the communist bloc, did not appear to be a major concern for the incoming local leadership.

Choosing Defence over Sovereignty

This section deals with the two of the three agreements entered into by Ceylon and the UK on November 11, 1947, three months prior to the formal inauguration of the independent Government in 1948. The Independence Act of Ceylon was presented along with two other major agreements with the UK; namely, the Defence and the External Affairs agreements, which were considered a win-win outcome by both the ex-colonizer and the colony which was on the verge of being freed (see Mansergh 1953).²⁵ First, this discussion turns to explore the affinity between the strategic interests of the UK and a post-independence Ceylon.

Partnering with British Regional Strategy

On the part of the British, Ceylon figured prominently on its strategic map of Asia, and securing continued access to the Indian Ocean through Ceylon's natural harbours which were part of its strategic goal. The British had clearly visualized the consequences of losing Ceylon. First, in 1947, Britain's Chiefs of Staff recognized the importance Ceylon for military communication to Far East Asia and Australia. Ceylon was the centre of British Naval Intelligence organizations for the Indian Ocean region. The Chiefs of Staff of Britain reported the defence requirements in Ceylon in clear terms as follows:

- I. In peace the right to base naval and air forces in Ceylon and to maintain the necessary facilities there. The right to station limited land forces as a nucleus organization for the defence of the island. The retention of our cable and wireless facilities.
- II. In war, the right to develop the above facilities...ability to obtain our defence requirements.....We conclude therefore that the grant of independence to Ceylon, whether now or later, must be accompanied by reservations which will ensure that our defence requirements will be adequately and permanently met (cited in Melegoda 2000:81)

Accordingly, Ceylon's independence was tied with British military requirements. The Defence Agreement, therefore, was a British requirement more than a demand from the Ceylon leadership. The independence of Ceylon was guaranteed by the willingness of it to be a strategic partner in the UK's military interests in the Indian Ocean.

²⁵ Nicholas Mansergh (ed.), Documents and Speeches on British Commonwealth Affairs (1931-1952), vol. II (London: Oxford Univ. Press, 1953)

In a letter sent by the High Commissioner of Ceylon to the Commonwealth Regional Office, British interests in providing security for Ceylon were quite clearly spelled out.

D.S.Senanayake reasoned that since Ceylon could not defend herself, she must seek a strong partner. It seemed clear that only one power, the United Kingdom, had a sufficient interest in defending Ceylon, and without laying intolerable economic burdens upon the newly independent state. The Prime Minister also saw that Ceylon's security was involved in British security, because Britain needed the use of the Indian Ocean for strategic and trading purposes (Cited in Melegoda 2000:80).²⁶

Further, the strategic importance of Ceylon to the British military was later communicated to the independent government by the Ministry of Defence in Britain. According to the estimation of the British Defence Ministry "In any world war Ceylon will be essential as an air staging post on Commonwealth reinforcement routes and as a base from which to control sea and air communications" (cited in Melegoda 2000: 80). It is clear that British had strategic and commercial interests in Ceylon and the Indian Ocean, and that led it to keep the link with Ceylon unbroken.

As Hall (1971) points out, Ceylon was important for Commonwealth strategy in the Indian Ocean. Ceylon's membership in the Commonwealth as an independent state was crucial for the British. It was the need for essential communication facilities in the Indian Ocean that the British wanted Ceylon to ensure by providing bases.

A basic requirement of Commonwealth strategy was the maintenance of communication in the Indian Ocean by sea and air. Ceylon occupied a commanding disposition as a base for defence communication, without which control over the Indian Ocean would be seriously weakened; it provided the only existing fleet base between Malta and Singapore (Hall 1971: 801).

Ceylon under the UNP, the first independent government preferred to be associated by the Commonwealth and the interests shown in this direction was contradicting India's worldview in the same period. We will discuss this dimension under a separate section.

²⁶ Letter from UKHC to CRO, 29 June 1948

Local Bourgeoisie Interests

On the other hand, Ceylon's leadership, who were Western oriented democrats and local capitalist entrepreneurs, would have considered the complexity of the Cold War political climate. In their understanding this climate was not a secure place for autonomous behaviour by the weak and small states. Simply put, Ceylon's elites realized that the newly gained independence could be protected only if it could further continued its 'friendly' relations with the British. Ceylon's leadership sentimentally and pragmatically gave up the country's autonomy to the British for an assurance of security.

Nevertheless, according to the critics of the leftist camp, the local bourgeoisie politicians, like the first Prime Minister D.S. Senanayake, had to act according to the British's strategic design because they feared for their local interests. If power was transferred into the hands of leftists they could have changed the local balance of power that favoured the bourgeoisie. D.S.Senanayake, addressing a meeting in June 1948, had defended his class position and justified the defence agreement on grounds that it has eased the necessity of defence expenditure for Ceylon and that the resulting savings could be devoted to national development.

The allegations that her independence was a fake had not convinced even those who made them. Ceylon's position was not unfavourable. Her economy was distorted but had not been shattered by the war; she had no communal battles to fight and her association with the Commonwealth made defence matters easier...it meant that the finances could be largely devoted to national development (*Ibid*).

The Defence and External Affairs agreements with Britain were signed on November 11 1947 and they came into effect from February 04 1948. Both the agreements state clearly that Ceylon is "a fully responsible member of the British Commonwealth of Nations, in no way subordinate in any aspect of domestic or external affairs, freely associated with and united by common allegiance to the Crown" (*see* Jayawardane (ed.) 2005: 64-65).²⁷ The paradox is very clear here; while still having an 'allegiance to the Crown', Ceylon

²⁷"Defence Agreement between His Majesty's Government in the United Kingdom and the Government of Ceylon" in Amal Jayawardane (ed.) (2005) *Documents of Sri Lanka's Foreign Policy*, Colombo, RCS.

would not be able to enjoy its full independence, particularly in external affairs and external security, even though both agreements wanted it to sound as if it did.

Military Alliance with UK

Assuredly, Ceylon entered into a military alliance with the UK at the independence by signing the Defence Agreement with the former colonizer. However, the Defence Agreement tells it was established on the ‘mutual interests’ of both parties. The introductory lines state that “necessary measures should be taken for the effectual protection and defence of the territories of both and that the necessary facilities should be afforded for this purpose” (*Ibid*). Ceylon had committed the right of its natural harbours and air bases for Royal military as per the agreement and moreover, Ceylon as an independent nation was dependant on security from a faraway ally whose presence in the Indian Ocean was not for the satisfaction of India. When UK had assured Ceylon of protection “against external aggression”, it meant that Ceylon felt an existential threat on its existence which could come probably from India (*Ibid*).

The instructions given by the Chiefs of the Staff to the British government on the necessity of the retaining naval and air bases in Ceylon is guaranteed by the agreement. According to the agreement the UK promised to provide Ceylon security from ‘external aggression’, while the provision of internal security became the responsibility of Ceylon itself. However, the UK was obliged to maintain the three military forces, army, navy and air force, in Ceylon. The strategic interests of the UK to secure its access to bases in Ceylon and to use the island as a communication centre in the Indian Ocean region had been secured by the agreement. Further, Clause 2 of the Defence Agreement obliged Ceylon in terms of providing facilities to the UK military, including, naval and air bases and communication facilities (*Ibid*). As per the Clause 3 of the agreement the UK Government agreed to provide training and other military assistance to Ceylon.²⁸

In later years the UK assisted Ceylon in building its own armed forces (Navy, Army and Air-Force) as it was the desire of the Government of Ceylon to have its own military

²⁸ As per the “Defence Agreement” the UK was to provide Ceylon with several equipment and training for the armed forces.

capability.²⁹ As per the Navy Act of No.34 of 1950, the Royal Ceylon Navy was to consist of a regular naval force with officers and seamen, a regular reserve naval force and a volunteer naval force. The Royal Ceylon Air Force established under the Act No.41 of 1949 consisted of a regular air force, regular air force reserve and a regular volunteer force.

Writing to the Commissioner of the Regional Office (CRO) in the High Commission of United Kingdom in Ceylon in the context of establishing the forces in Ceylon stated the following:

The Army Bill provides for the training of a regular force, regular reserve and volunteer reserve. The clauses providing for the calling out by proclamation of the reserve and volunteer forces and the employment, by Governor General's order, of the regular force on non-military duties for the maintenance of essential supplies and the services were strongly criticised by Opposition. These provisions which are modelled on those of the U.K. Emergency powers Act 1920, were defended on the ground that similar provisions were to be found in the statute of law of the U.K. and Australia (Cited in Melegoda 2000:83).³⁰

Among the local constituencies the agreement received different interpretations. While the ruling party spoke on the merits of the agreement and the Prime Minister defended his stance to keep the state aligned to the former colonizer, it was also subjected to criticism from the left parties which saw the possibility of the state moving towards the Western bloc. The Prime Minister was clear that "Defence is the primary responsibility of an independent state". The lack of military capability puts the state in imminent danger of being subjected to external aggressiveness. However, the government emphasised that the Defence Agreement had not become an obstacle for autonomy of the state. If a certain government would not like to abide by the agreement it was free to abrogate it. D.S. Senanayake was very clear on this idea:

We can discover nothing irrevocable or coercive about this agreement. If a future government feels that it does not require assistance, it will be under no obligation to receive it. The government

²⁹ Royal Ceylon Navy Act No. 34 of 1950, Royal Ceylon Army Act No. 17 of 1949 and Royal Ceylon Air Force Act No. 41 of 1949 provided for making such capability.

³⁰ 14, April 1949, No.22, PRO. Do 35/2400.

can decide for itself whether any British forces should be stationed in Ceylon, or not, what bases if any should be provided for them (*Ceylon Daily News*, 1947 cited in Melegoda 2000:84).

The government knew that the critics were pointing at the sovereignty status of the state as an independent nation. It was at much pain to address the critics but it also never wanted to reverse the agreement as it had provided the ability for the government to establish its own coercive power internally and still check external threats if they were to come through use of the British military forces. Therefore, the Prime Minister assured the Parliament that "...it is by mutual agreement that these arrangements will continue..." and that it was a "...very satisfactory agreement from the point of view of this country" (*HRD*, 24 July 1951, col. 1528). For the Prime Minister, the British seemed to be the best partners that Ceylon could find for its defence. He preferred 'to keep connections with Britain', because, as far as the Prime Minister Senanayake was concerned, he could not 'think of better and a safer friend for Ceylon than Britain'. He asked his colleagues to 'look around the world and see whether there is anyone else who can be of better use to us and of greater help to us than Britain' (*Ibid*, 3 Dec 1947, col.731). The enormous trust that Ceylon's ruling elite had toward the UK as the most reliable security partner was mostly due to the belief that the UK as an alliance partner of the USA and a major state in the Western or democratic bloc would work to counter threats from the Communist bloc led by USSR. Locally, the bourgeoisie political power was threatened by leftists who had organised the working class movement in the country. On the other hand, Senanayake and his government could not look for India's assistance as it was only recently freed just prior to Ceylon getting its freedom. Also the government of Ceylon suspected India for its interests in the Trincomalee harbour.

When in 1949, the British wanted to withdraw most of its troops from the Trincomalee harbour; the Prime Minister of Ceylon vehemently protested. He wrote to the CRO stating that the move would seriously jeopardise the external security of the country as the Southeast Asian region was already caught up in conflict.

We realize only too clearly that, like Belgium in Europe we are liable to be drawn into battle in every war that sweeps over South East Asia...In the circumstances Ceylon naturally expects from

the British government a more explicit guarantee of adequate military aid commensurate with such a threat with due regard to such grave risks (cited in Melegoda 2000:87).³¹

The CRO replied that the British did not want to ‘abandon’ Ceylon and its military forces ‘would return at any time that the strategic situation in the area might require’ (cited in Melegoda 2000:88). The decision of the British to remove the naval troops from the Trincomalee harbour raised Ceylon’s fear of regional threats. As it can be understood from another communication from CRO to UKHC, Ceylon’s leadership suspected India of having designs over the Indian Ocean region and most probably it thought that the vacuum of power created by the removal of British troops from the harbour would provide India a chance to request from Ceylon use of the facilities at Trincomalee.

He (Prime Minister Senanayake) had always been afraid of India... He knew that he could not alter the geographical fact of Ceylon’s nearness to India but the fact did cause him considerable uneasiness. He was always fearful that India would ask for naval facilities at Trincomalee (*Ibid*).

In the aftermath of the denouement of the British from the Indian Ocean region, the ‘natural superpower’ of the region India would have clearly claimed its status as the dominant power in the region. Senanayake was then still not convinced that India would not become an aggressive neighbour. At some point in 1945, Nehru also had stated that India had a vision of a common strategic partnership with Burma and Ceylon once the region was freed from colonization, and Ceylon had understood such statements from India, although later Indian leadership clarified them, as proof for India’s desire to dominate the small states in the region.

Senanayake’s security concern was seriously taken into deliberation by the CRO and the British finally agreed to remain in their full strength in the East Indian Ocean region as they had done in the early 1940s.

His Majesty’s ships will continue to use Trincomalee and Colombo harbours to the same extent as they do now, the visible strength of the Royal navy in East Indian waters will no way be altered and the Royal Navy will be no less in evidence ashore than it was, say, in 1938 (*Ibid*: p. 89).³²

³¹ To CRO from UKHC in Ceylon.

³² Letter from the CRO to the UKHC in Ceylon, 6, June 1950.

However Senanayake insisted that the UK maintain its military presence on the island, he saw the defence agreement as a temporary arrangement that was of use “to be a little more dependent on ourselves” until Ceylon built its own capabilities (*HRD*, 24 July 1951, col. 1529).³³ Also the government’s effort to highlight that this agreement was not something extraordinary that bound the state to the former colonizer, but something based on ‘mutual agreement’ was highlighted in the public forums.

It (the Defence Agreement with the UK) is a simple arrangement by which the government of the United Kingdom and the Government of Ceylon agreed to give each other such military assistance for the security of their respective territories as it may be in the mutual interest to provide. The nature of the assistance which one party may render to the other and the procedure of rendering it have also to be agreed to mutually³⁴ (*Ceylon Daily News* 1951 cited in Kodikara 1982:85).

Opposition to the defence agreement came heavily from the Marxist parties. The leftists led by the Communist Party of Ceylon (CP) and the *Lanka SamaSamajaParty* (Equal Society Party or LSSP which was ideologically Trotskyite) held that through the defence agreement Ceylon had returned to the ‘old status’, meaning that country was not still freed from the colonial yoke (*Ibid* 4, col.108). The submission of strategic harbours like Trincomalee and air bases such as Katunayake to the British troops was pointed out as an example of occupation of the territory by foreign armies.³⁵ They argued that Ceylon’s decision to provide base facilities for the UK military had converted the country into a military base in South East Asia. Independence from the British meant nothing for the leftists who saw such status as ‘fake’, and for them the government of Ceylon remained ‘acquiesced to the colonial pressure’ (Jacob 1973: 25).

Though the opposition kept on criticising the agreement, the government won the support from the English press in Ceylon to their side. *Ceylon Daily News* asked its readership to see ‘whence Ceylon can look for help in time of trouble’ (cited in Jacob 1973: 26). It supported the idea that the UK had ‘renounced its authority, ‘voluntarily and handsomely’ (Jacob 1976: 26). However, as Jacob mentions *The Morning Times* had

³³ Cited in Melegoda 2000: 85.

³⁴ *Ceylon Daily News*, 23/01/1951 quoted from Kodikara (1982:85)

³⁵ At Katunayake in the West, Koggala in the South and Trincomalee in the East British troops occupied bases in Ceylon

warned the government that British occupied bases in Ceylon could be used in ‘power-bloc warfare’ (ibid). Therefore, the paper had asked the government to be sure that the bases would not be used in times world wars by the UK (Jacob 1973: 26). In the meantime citing the failure of the government an independent member of House of Representative had given notice of a non-confidence motion for the government (Jacob 1973: 27).

While the Premier Senanayake had taken much pain to justify the signing of the Defence Agreement before the public and the critics of the government, the third Prime Minister of Ceylon, Kotelawala, who was more involved in international issues as critic of communism also had to continue the struggle of defending defence relations with the West. In February 1955, in the aftermath of the Commonwealth summit, he told his critics that “there is no defence agreement with Britain as such” (cited in Jacob 1973: 27).³⁶ He explained what he meant by this ambiguous statement.

What we and Britain have agreed to is that Britain would come to our assistance when asked, by mutual consent. We have every right to tell them they should quit our bases. In the event of war we can ask Britain to man these bases if we were in the thick of war. If, on the other hand we decide to keep away from the war, we can very well tell them that they cannot use our bases. We are complete masters of our bases and we have every right to tell them to vacate our bases when we desire (*Ibid*).

In the local context, the defence agreement received little acceptance from the opposition, even at the local government level the pressure was on the government to abrogate the agreement.³⁷ The bourgeoisie leadership nevertheless maintained that the agreement was beneficial for Ceylon and also propagated the myth that if Ceylon were to do ‘away with England it would go under India’.

Further, we would agree with Hamayun (1995:14) who has rightly pointed out that the Defence Agreement was Ceylon’s “insurance vis a vis India until 1957”. Similarly, the agreement was an “inducement for Britain to hasten independence” (Jennings (1950: 50-

³⁶*Times of Ceylon* 20 February 1955.

³⁷ “The Colombo Municipal Council passed a resolution on 13 May by a majority of one vote, calling on the Government to terminate its Defence Agreement with Britain”.

51; also cited in Kodikara 1988: 100 and Wickramasinghe 2010). Further, Nissanka (1984:9) saw it as ‘an attempt to appease’ Britain (*see* Jayawardane 2005: 65-66). We would state, it was Ceylon’s strategically created response to international anarchy at the sub-regional level, and, unless the external guarantee of security was not in place, Ceylon greatly feared that its survival could be in jeopardy in emergencies. An adding to its fears were the international movement of the Communism and ‘proxy wars’ instigated by the two blocs of international politics during the period of study.

Influence of UK on Foreign Policy

Independent Ceylon did not subscribe for an independent foreign policy, instead it followed the UK through another agreement, the External Affairs Agreement (EAA) (*Ibid*).³⁸ By entering into an agreement on External Affairs with UK Ceylon further constrained itself in the world of international affairs, but willingly. The EAA³⁹ with the UK can be viewed as an extension of the Defence Agreement since external affairs and external security closely connect with each other. In this section we analyse how Ceylon’s external policy was constrained by UK’s vision of foreign affairs in making relations with the world, and how such an agreement further guaranteed Ceylon of its existence in the sub-regional hemisphere in particular. Under the EAA, Ceylon adopted the “resolutions of past imperial conferences” and hence was obliged to follow the norms developed by the British in foreign affairs communications among the members of the Commonwealth. Accordingly, the UK and Ceylon exchanged the High Commissioners as the representatives of each Government.⁴⁰ More importantly, ‘United Kingdom undertook, with request of Ceylon, to communicate to the governments with which Ceylon wanted to establish diplomatic relations.⁴¹ Ceylon also would receive the diplomatic services of UK for communicating with countries where it had no

³⁸See “External Affairs Agreement between His Majesty’ Government in the United Kingdom and the Government of Ceylon” in Jayawardane (2005), document No. 45. pp. 65-66.

³⁹The Agreement on External Affairs was also signed on the same day the Defence Agreement was signed, which was on 11 November 1947.

⁴⁰See Clause 3 of EAA.

⁴¹See Clause 4 of EAA

representatives.⁴² Further, the EAA assured Ceylon of UK's assistance for receiving the membership of the UN.⁴³

Clause one of the External Affairs Agreement made Ceylon agree to "the system of communication and consultation in relation to foreign affairs" as per the Imperial Conference of 1930 (Dawson⁴⁴ 2006: 403; also in Stewart 1938: 467-487).⁴⁵ Accordingly Ceylon was bound to behave within the system of communication in foreign affairs developed by the British for the use of the dominions. The idea was to establish a close relationship with UK and the dominions through the hegemonic norms it had prescribed them, further restrict the dominions moving into other camps at a time of great power rivalry during the early years of the twentieth century.

The notion that Ceylon was an independent state with autonomy to behave externally during the initial stage of independence the reality that it was still bound to the Royal Crown of the UK in many ways. The consensual hegemony of the UK in relation to its relationship with Ceylon was not much damaged although political power shifted into the hands of the local bourgeoisie. The "readiness" of Ceylon to follow 'imperial conference's' dictums testifies to that and shows the continuance of a kind of feudal element of master-slave relationship between Ceylon and the UK. Stewart observes that 'sole authority' foreign relations were kept under the UK through the EAA.

The Government of the United Kingdom subject to its responsibility to the Imperial Parliament and Westminster, exercised sole authority in all matters relating to the conduct of foreign policy. That authority, Prime Minister Asquith declared at the Imperial Conference of 1911, could not be shared with the Dominions (Stewart 1938: 467).

The *raison d'être* for seeking external assistance in diplomacy and foreign policy by Ceylon from the UK, which used to subjugate it previously, can be linked to the need for mitigating external insecurity by the weak power. At the same time, the problem of state

⁴²See Clause 4 of EAA

⁴³See Clause 5 of EAA

⁴⁴In *The Development of Dominion Status, 1900-1936* edited By Robert Mac Gregor Dawson (first print 1936).

sovereignty became the foremost issue for the critiques of the Defence and the External Affairs Agreement of Ceylon with the UK. As Melegoda (2000) argues, the reason behind the signing of the External Affairs Agreement was the 'mentality' of a small power. According to her, the first Premier of Ceylon

...realized that a small country should not, as soon as it gained its independence, proceed to behave like a great power. He did not rush to open embassies and High Commissions. Instead he signed an agreement with British order... (2000: 89).

Ceylon as a small state not imitating great powers is something which is grounded in realist philosophy, but not considering its diplomacy purely for the reasons of expenditure is somewhat unconvincing here. More than the financial advantages, what Ceylon sought was the recognition as an entity in international politics from a greater power, which could be a must for the existence of the regional setup in South Asia. Finally, when India was moving away from the UK and its sphere of influence creating its own aura of power in the region, Ceylon kept it closer to the former colonizer.

The Commonwealth Connection

The Commonwealth provided Ceylon a platform to be equal among the unequal. Ceylon as a small power could sit together with the major powers and discuss its issues. At a time when Ceylon had not been admitted to the UN, the Commonwealth could provide it with experience of membership in international forums. It was indeed for Ceylon a socialization experience in the international arena. The British happily welcomed Ceylon into the club as it knew well that Ceylon had a great allegiance toward the former colonizer. At the reception held by Ceylon to celebrate the independence in March 1948, Noel Baker, then High Commissioner of UK expressed his happiness;

Tonight we are celebrating an event of unique significance in the history of the British Commonwealth. For the first time, a colony not settled by British people has emerged as a member of the Commonwealth. We in the colonial office view this as an elder brother at his younger brother's 21st birthday party. Our brother has come of age. Ceylon has given the key of the door, and is now a fully-fledged member of the family (in Melegoda 2000: 68).

The Commonwealth as a 'family' affair could be a very good term to describe its influence on world politics. Nevertheless as Ceylon embarked on a democratic form of

nment, Commonwealth democratic values could have certainly contributed to the political identity of the state. The idea of an 'equal partner' in the Commonwealth had certainly stuck in the mind of the first Prime Minister, Senanayake. Ceylon was doing exactly what India was reluctant do by accepting membership in the Commonwealth. This is why Patrick Gordon Walker, Secretary of CRO, wrote that the hoisting of the Union Jack and the Lion flag side by side on that occasion would be impossible if it happened in India (Melegoda 2000: 69). Ceylon's decision to enter the Commonwealth was praised at the House Commons. As Thomas Reid put it, "...Ceylonese people stood by us [the UK] through thick and thin, after the war they, of their own free will, entered the Commonwealth" (*ibid*).

The idea of Commonwealth had been received differently by each of those newly independent nations – Burma, India, Pakistan and Ceylon. Burma opting out to join it, India becoming a Republic and Pakistan also following Indian path, had viewed it differently (Jacob 1973).

Ceylon readily assumed the membership of the Commonwealth on the original basis. Her desire to be in the Commonwealth arose out of D.S. Senanayake's belief that such a relationship would help preserve the country's newly won freedom. Ceylon was not in a position to safeguard her security alone; hence she chose to do it in co-operation with the Commonwealth (Jacob 1973: 30).

The observation of Jacob (1973) that Ceylon would use the Commonwealth for its security purposes had come true. It was to the CRO that Ceylon expressed its anxieties or concerns over international politics and conveyed them to the British.

Ceylon, therefore, depended on the Commonwealth as it was instrumental in getting the attention of the UK directed toward its concerns over matters relating to security, etc. On the other hand, the Commonwealth platform was a 'counterforce' against India on the part of Ceylon.

To D.S.Senanayake, Commonwealth ties meant a counterforce against India. Visualising a distant future when India under a different leadership might become aggressive, he felt that in such situation, though the Commonwealth was not in itself a safeguard against the conflict among members, Ceylon would be safer because of her association with the Commonwealth (Jacob 1973:31).

The association with the Commonwealth for Ceylon provided an opportunity to play 'hide'. 'Hiding' its actual identity in the shadow of a big power was thus the strategy of Senanayake who realistically feared India and idealistically preferred an alliance with the UK, which in turn kept Ceylon in its regional strategic calculations purely for its own interests. The act of 'hiding' provides an alternative to balancing strategy for smaller states (Schroeder 1994, Bajpai and Sahni 2008).⁴⁶ It would not be wrong to say that Ceylon in its multiple strategic behavioural nodes had a special attraction toward 'hiding' and membership of international forums.

Senanayake said in Bombay upon his return from London that "Ceylon will remain in the Commonwealth of Nations as long as we feel our place is safe and our interests are not jeopardised" (Jacob 1973: 31). Ceylon sought through the Commonwealth; "an international stature equal to that of India despite its being an artificial but useful equality... a dignity and stability in its diplomatic negotiations" (*Ibid*). It was the "only international forum for international conferences as she was not in UN..." Ceylon was able to "...be a partner in a large comity of nations on an equal footing" (*Ibid*).

D.S. Senanayake stood for world peace and saw the Commonwealth as a better platform to fight for peace in time of international scale wars.

My Government is keenly aware of the significance and unity of purpose of the Commonwealth in the effort to preserve peace in the post-war world and will use its utmost endeavour to cherish and safeguard those valuable associations" (*HRD* 8, 1950, col. 486).

Oliver Goonetilleke, Minister of Home Affairs and Rural Development, argued that the Commonwealth had not pursued politics of interference. Moreover, for him the small states could equally share in the decisions of the Commonwealth.

Never once has there been an attempt at interference. On the contrary, there had been a studied attempts on the part of Ministers and officials of all grades to make sure that the smallest and newest of the Commonwealth countries have a full share in the decision of the Commonwealth" (*The Hindu*, 21.Jan.1950).

⁴⁶As Bajpai and Sahni (2008) explain "Hiding is a form of sly, intermittent resistance and is probably an attractive option for small, relatively insignificant powers" (p.106).

In his policy speech, Prime Minister Kotelawala attached greater importance to the Commonwealth in the foreign policy.

We value our membership of the Commonwealth of Nations, based as it is on the free association of independent countries for mutual assistance. We shall extend a hearty welcome to the Head of the Commonwealth, the Queen, when she visits us a few months hence (Kotelawala 1953: 187).

In a way, for Ceylon the Commonwealth was meant as another incarnation of the mighty empire that was the UK. As a country which still preserved the remnants of the Crown in the form of a Governor General, Ceylon had a greater reverence for the Commonwealth and its symbolic leadership of the Queen of England. In the context of the queen's visit to Ceylon, Kotelawala made the above statement and it highlighted how much Ceylon considered the importance of its attachment to the UK even some five years after the independence.

As the third Prime Minister of Ceylon viewed the importance of Commonwealth, it had significant 'meanings' for the small states. He said in his address to the Commonwealth Conference in Canada in December 1954 that;

The Commonwealth of Nations is not a mere collection of Free States, in name only. Binding them together, quite apart from the common political and parliamentary traditions, exists a warm spirit of comradeship, born of mutual trust and confidence that is unknown in any other similar association of States in any other period of history (Kotelawala 1954: 23-24).

Though Kotelawala was vehemently anti-communist, in the above lines he used the term 'comradeship' to describe the sort of association the Commonwealth countries were pursuing according to him. His words testify to the significance of the Commonwealth for the existence of the small states as equal brethren among the colossal powers. Kotelawala saw that the Commonwealth had a 'special appeal' to the East and he defined what he meant by the term 'comradeship'.

I think the answer to this question would be that the spirit of adaptability shown by the Commonwealth has a special appeal to us in the East. The fact that we have been received into the Commonwealth family on equal terms, and with no reservations, convinces us, more than anything else, of the genuine opportunities the Commonwealth offers of international co-operation

on a truly democratic basis. That, if I may say, is the essence of our comradeship (Kotelawala 1954: 23-24).

In the same speech Kotelawala referred to the expectations of Ceylon from the Commonwealth apart from the normative equality and political significance it offered to the small nation.

It is in the possibility of a common sharing of the human and material resources of our Commonwealth that the greatest promise of future co-operation among our member States lies. The economic aid that we so gratefully receive from you under the Colombo Plan, for example, is in the nature of a gift within a family, and in this sense, differs from aid we may receive from a country outside the Commonwealth (Kotelawala 1954: 23-24).

The period that this speech was delivered in by a Ceylonese leader in Canada was a period of economic hardship for Ceylon due to a slump in export income as the prices of the raw materials exported by the peripheral nations had gone down drastically. Consequently, it is understandable that Ceylon expected material aid from the Commonwealth more than the provision of a platform for political representation at the international arena. However, in the sphere of material and financial aid, Ceylon had to look to other avenues as the UK had waned in its capability to aid the small states due to its own economic woes.

The ideational effect of the Commonwealth also had great influence over its membership. Kotelawala emphasised that he was ‘a true believer in the British Commonwealth of nations’ and accepted its influence ‘for peace and the safeguarding of the democratic liberties of free countries’ as important (Kotelawala 1954). Further, he noted the small state had the right to peaceful existence, and the Commonwealth’s contribution toward it.

So far as we in Ceylon are concerned, the right of a small island...to live in peace, to govern itself according to laws and the wishes of its people and to fortify its economy to meet its needs are fundamentals. We believe that the goodwill of the members of Commonwealth who share those ideals is the best guarantee we can have of our own security in a troubled world (Kotelawala 1954)

The Commonwealth was a significant association for the small states. Its ‘membership served a variety of purposes’ (Jacob 1973). The ‘large unity of the nations that Commonwealth’ promoted could secure for Ceylon and other small states an

‘international status as it made them “a partner in a large unity of nations on equal footing” (*Ibid*). Also the Commonwealth had a “system of intra-Commonwealth consultation on all important world problems” (*Ibid*). The economic dimension of the Commonwealth was complemented by ‘the benefit of economic and technical assistance through the Colombo Plan (*Ibid*).

Ceylon’s unwavering attachment with the UK during the 1948-1956 period suggests that the government did not consider the possibility that such alignments could affect its sovereign status. More than sovereignty, the small state valued the ability to secure alliance partnerships and membership in international forums. It is clear then that the idea of sovereignty was not something the small states could take to their hearts when they are defenceless. Especially, in a world of bloc politics between the West and the Communist states.

The above section discussed Ceylon’s relations with the UK and Commonwealth and analysed how the agreements with the UK helped the small state to enhance its capacity for military security and strengthened political connectedness with the democratic-capitalist bloc during bi-polarity; at the same time the Commonwealth provided an international forum to be closely associated with the UK and its allies. The findings explicated clearly that the security and political assurance of the state’s survival was mainly expected by the small state in its relations with the former great power. The resistance that Ceylon displayed to India’s worldview and its regional leadership was further evident in the section.

Section 2: Ceylon and India in Post-Colonial South Asia

Though the incumbent leadership was overwhelmingly being criticised over its inability to shed all links with the British after independence, it was clear that their decisions were shaped mostly as adjustments to the evolving changes in the regional and international political structure. In terms of military capability Ceylon ‘...had neither defence forces of its own nor the means to provide them’ (Jacob 1973). In the sub-regional sphere, the evolving political reality of India aiming at regional leadership was an external dimension

of the problem of defence in Ceylon. In an analysis of the international political context of Ceylon at the time independence de Silva points out that

For Senanayake no less than for Whitehall, these defence agreements – which he had first suggested to the Colonial Office as early as August 1945 – were part of a process of adjusting to the uncertainties of a new pattern of international politics in South Asia when India would become an independent state (De Silva, 1989: 374)

Ceylon's concern with India's imminent hegemony in South Asia then evolved into a possible security threat prior to independence. From the Indian side Pandit Nehru had predicted 'small states would disappear' from the scene of evolving political structure of the region (Brummend 1941: 322). At a meeting in Kashmir in August 1945 Nehru said that "small states of the world tomorrow have no future in store and they are sure to be reduced to the status of satellite states" (Gupta 1964:33; also cited in Gajameragedara 2011: 137).

India as the largest state in South Asia was evolving its foreign policy with the ambition of becoming a great power in the region (Gajameragedara 2011: 137). Nehru's vision of India as a great power had shown its ideational evolution in the *Discovery of India*. The discovery of India was not a mere establishment of an independent Indian state in the region. It would be the re-discovery of India's long lost empire status which for the last two centuries up to independence the British had reconsolidated, but was to be dismantled by the colonizer itself. Indian foreign policy was to evolve with an idea of its past strategic practice during the empires; as Vivekanandan (2011) suggests it could be a 'return of the history'. Therefore when Nehru envisioned the future of India in the international system back in the mid-forties prior to independence, he had this idea of restoring the past era of Indian empire in the region. That is why he wrote in the *Discovery of India* that

...India emerges as a strong, united state, a federation of free units, intimately connected with her neighbours and playing an important part in world affairs. She is one of the very few countries which has the resources and capacity to stand on her own feet. Today probably the only such countries are the United States of America and the Soviet Union...China and India potential industrial resources are probably even more varied and extensive than China's... (Nehru 1951: 510).

In Nehru's vision India had every potential which can be used to transform it to great power status. The idea of strategic unity among the South Asian states, therefore, was something that Nehru wanted to import to the other states such as Ceylon. Despite Nehru's ambitions about regional political integration and India's possible dominance over it, independence and the continuity of colonial links in the forms of defence and external affairs were the means by which the small states attempted to counter India's designs. At the Bandung Conference in 1955, Nehru opposed the idea of using the great powers' assistance to defend the newly independent countries.

We will defend ourselves with whatever arms and strength we have, and if we have no arms we will defend ourselves without arms. I am dead certain that no country can conquer India. Even the two great power blocs together cannot conquer India; not even the atom or the hydrogen bomb. I know what my people are. But I know also that if we rely on others, whatever great powers they might be if we look to them for sustenance, then we are weak indeed(Selected Works of J.Nehru, vol. 28, reference on Bandung Conference, no page no⁴⁷; also cited in Page and Sonnenberg, 2003, vol. 1: p.1036).

Ceylon or other states have not shared Nehru's vision of defending countries without arms. The small states were not convinced of Nehru's philosophy and they continued to seek support from the great powers. Nehru had sensed this would be the tendency of small nations once they are freed, and had, therefore, spoken of the regional strategic vision in which the small states would be aligned to the greater Indian Federation.

India's intention to have 'closer union' with Ceylon came out when Nehru wrote, on October 09 1945, a 'Message to the Youth of Lanka'. In this message he mentioned the close 'cultural, racial and linguistic' affinity between the peoples of the two countries. Since historically and otherwise the two nations are connected, Nehru suggested that in future 'they must inevitably be associated with each other politically and otherwise'. As Nehru pointed out in this message that since 'political and economic development could override other connections between the two nations, these developments could 'point to a closer union between the two countries'. Therefore "...Lanka must hold on to this

⁴⁷This is available online. URL: http://www.claudearpi.net/maintenance/uploaded_pics/SW28.pdf, accessed, 25/06/2016.

grouping presumably as an autonomous unit of the Indian Federation” (*ibid*; also see Mendis 1992: 49). And he noted further that “admission into the Indian Federation should not limit Lanka’s freedom except in regard to certain minimum federal subjects as defence...” (*ibid*). Despite Nehru’s strategic concerns over attaching Ceylon to a greater Indian Federation, Ceylon received independence in 1948, after India had already obtained it through a huge independence struggle (*see* Chandra *et al* 2000). The form of struggle the Ceylonese bourgeoisie launch for independence had great differences when compared to the Indian independence struggle. In Ceylon, the bourgeoisie did not wage a struggle together with the common men and women; instead they wanted independence without making the British angry, through peaceful means and with power delivered into the hands of the western educated elite. Ceylon’s independence was a kind of deal making with the UK and two major agreements, and one other agreement on public service with the UK proved that the Ceylon bourgeoisie played closely into the hands of the British while accepting their strategic design on the Indian Ocean and being a partner with them.

The integration of Ceylon into a greater Federation of India did not become a matter of concern for the two states again until 1949. On 08th April 1949, one year after Ceylon’s independence, and the President of the Indian National Congress said that India must enter into a treaty with the peoples of Ceylon, enabling Ceylon to become an “organic part of body politic” (*CDN* 4 April 1949). Later *Ceylon Daily News* carried an interview with the Congress President and he further clarified as to what he said in Delhi. According to the interview, Dr. Pattabi Sitaramayya, the President of Indian National Congress, had ‘always considered that India and Ceylon were one. For him, in the matter of defence, India and Ceylon should have a common strategy, common defence and common defence resources. By defence he also meant communications and foreign relations as well. He said that defence, communication and foreign relations must form a single group. ‘Some kind of formula’ was necessary to develop cooperation in such areas effectively (*Ceylon Daily News*, 23 April 1949). In the same interview he denied that he had meant there was any ‘plan’ behind what he said. He attempted to eliminate the fear psychosis of Ceylon in this way, but it led to many protests in Ceylon.

Let it be remembered that even today Ceylon and India are the best friends, but it must be more than that. The relations we are aiming at must be something more than between individuals or institutions as friends. Can we integrate? (*Ceylon Daily News*, 23 April 1949).

Obviously, the idea of integrating Ceylon into the Indian Federation was not well received in Ceylon. In India Nehru attempted to save the good will of the two countries amidst the protest of India's designs to integrate Ceylon into the Federation. He told *Ceylon Daily News* that "There can be no question of India interfering, or desiring to interfere in any way, with the affairs of the sovereignty and independence of Ceylon. We are and wish to remain friendly neighbours, freely cooperating as independent nations for our mutual advantage" (*CDN*, 6 May 1949 cited in Gajameragedara 2011: 136).

Nehru accepted the independence and autonomy of Ceylon as a nation. What he had talked about in the past before independence was never repeated by him and he often said that India had no designs on Ceylon. In India he went further;

We have no designs at all. What the distant future designs have in store, I do not know. I believe as the world develops, there might be large federations of many countries in Asia...There is no possibility of trying to make Ceylon, in any sense, a part of India (*CDN* 16 May 1949 also cited in Gajameragedra 2011; 136).

However much Nehru attempted to console Ceylon, it was obvious to the Ceylonese leadership that India had a strong idea of a greater Indian Federation, which as Nehru said, could be 'in the store of events' that nobody could predict in international politics. Many times Nehru attempted to convince Ceylon of the close affinity and friendly cooperation between the two nations. He said that 'neither India nor Ceylon should take any step which goes in the way of impairing' the close relationship between the two nations (*CDN* 16 January 1950 cited in Gajameragedara 2011:137).

Political Rights of Indian Workers in Ceylon

As Phadnis (1976: 699) shows, the 'political status of persons of Indian origin in Ceylon' was a much vexed issue affecting the relations between the two countries. The Indian Tamil population who were first brought to Ceylon to work in the tea plantations during the 1820s constituted the bulk of the hill country population and were feared to have

“submerged” the Sinhalese villager” (Wriggins 1960). The ‘loosely termed’ ‘Indo-Ceylon question’ sprang up some three decades prior to independence in the 1920s (Phadnis 1976: 699). The modern representative electorate process from its inception in Ceylon also brought up the issue of ‘the future political status of estate labourers of Indian origin Ceylon’ (Phadnis 1976: 699).

According to statistics, the growth the Indian origin population in Ceylon took place with irregular migration during the British period; and in 1827 the population was around 10,000 which had swelled up to 531,000 in the early twentieth century. By 1945 Ceylon’s estate workforce was dominated by Indian Tamils averaging around 79% or 4/5 of the total labour force. In 1946 the Indian Tamil population was at 665,853. (Phadnis 1976: 702-703). The contribution of the migrant labour force to Ceylon’s export earnings through plantation production constituted a bulk of export earnings.

The ruling elite feared that the Tamil workers could align with the left parties and thus strengthen communist expansion (Kotelawala 1964). Apart from the Tamil and left parties in the legislature, other members from the ruling and the opposition parties had not expressed their open willingness to absorb the Indian Tamils into the population of Sri Lanka. In other words, the situation required the involvement of the Indian government in securing the political rights of the plantation workers of Indian origin in Ceylon. Therefore, the repatriation of the workers had become a vexed issue for much of the first four decades after the independence of Ceylon and kept the ruling elite engaged with India. The three Prime Ministers of the UNP regime from 1948-1956 negotiated with the Indian government on several occasions without much success.

Now it is clear that what India expected from Ceylon was an assurance of the acceptance of Indian leadership in the region. First, India attempted to convince the small state of an idea of greater federation of states in South Asia. Later on, through the developing of very cordial diplomatic relations, India attempted to win over Ceylon and get it to agree to keep the Indian Ocean free of major powers in order to consolidate its own sphere of influence. However, the small state was realistic and its limited capabilities compelled it to keep itself in association with the great powers, the first being the UK.

India's leadership design for Asia was revealed at the Asian Relations Conference of 1947. As Nehru said in the inaugural address, the states in the Asian region had 'to meet together on an equal basis in a common task and endeavour'. He stated that India had a role to play in that phase of development in Asia, though India itself was 'emerging into freedom and independence'. According to him India "was the natural centre and the focal point of the many forces at work in Asia (*Asian Relations Conference 1948*: p.23 cited in Gajameragedara: 2011: 138).

It was the power vacuum created by the British that India aspired to fill with its presence. According to Nehru India faced the issue of 'readjustment of the relations between Asia and Europe' (Gajameragedara 2011: 137). As European powers still haunted the region, in Ceylon, Burma, and Pakistan and in South East Asia, through both diplomatic and military means India's task ahead seemed quite challenging. However, India was a natural power and its destiny was to lead and of this Nehru was clear; "because of the force of circumstances ...geography ...history, and many other things" and "not because of any ambition" India 'inevitably has to play a very important part in Asia'. Also he pointed out that "India becomes a kind of meeting ground for various trends and forces and a meeting ground between what might roughly be called the East and the West" (Nehru in *India's Foreign Policy* as cited in Gajameragedara 2011: 137). The central role that India was structurally bound to play due to its potential in the regional and international political spheres had to materialise amidst the intervention of other major powers from the Far East and the West.

The small states in the region fearing India's 'hegemonic' ambitions, which could in no way be benevolent for their autonomy or even survival, followed their own strategic plans in the region or like Ceylon, they shared the strategic views of major powers of the region, particularly the UK. Ceylon, as D.S. Senanayake led it while facing the choices available to him, was then aligned to the West. For him "it was impossible to defend herself" (Jacob 1973) unless the assistance was accrued through external means. As a prominent political scientist viewed Ceylon's position in regard to agreements with the UK it was a kind of conventionality that the small state was still practicing in its external policy.

U.N.P. government proved traditional in their foreign policy outlook, preferring to maintain the colonial heritage of ties with Britain, and in general to look to the west for military and economic succour” (Wilson 1977: 267).

The continuity of the British link even during the post-colonial era was the determinant factor in Ceylon’s external policy. Ceylon used the Commonwealth strategy and in the Indian Ocean attempted to keep India balanced with its declared allegiance to an alliance partnership with the UK. The next section of the chapter presents another aspect of Ceylon major power relations. That is its relations with the USA.

Section 3: Engaging Super Power: Ceylon-USA Relations

The United States offered recognition to the newly independent Ceylon, establishing formal diplomatic relations with it in 1948.⁴⁸ The US, being the most powerful state in the world and one of the two superpowers, considered Ceylon to be a Western ally, mostly because of the Ceylon-UK defence and external relations agreements. However, in the US strategy for South Asia, Ceylon was a peripheral nation. The two asymmetrical powers had cordial diplomatic relations and Ceylon’s position on communism had earned much praise from the US side that was on a crusade against communism in the bipolar period. The first three Prime Ministers of Ceylon, all from the United National Party and trusted personalities in the UK, publicly opposed communism locally and internationally. Ceylon was on the list of US aid recipients, but the amount of actual aid received during this period under study remained far below the average of what other counties received from the US (Sinha 1992). For Ceylon, the friendship with US was far more important for the political support it could garner from the great power and this support helped in several instances when Ceylon faced the issue of getting assistance from the West and in finding a place in the international forums.

Ceylon received help in securing material loans from Japan, Thailand and other states with the involvement of the US embassies in those countries. Also when the US-Japan Peace Treaty was being negotiated Ceylon used that forum to support Japan, while

⁴⁸See [Online] URL: <https://history.state.gov/countries/sri-lanka>, accessed 11/7/2016.

expressing the viewpoints of the US in countering what the communist bloc states proposed *vis a vis* Japan. Technical, economic, and political cooperation between the two powers was quite strong during this period and Ceylon even wanted the US to supply it with non-defence material and defence assistance. The US, knowing well of the strategic significance of the small state, had an idea that through the UK defence agreement it would also be able to receive base facilities if the need arose. Ceylon eventually offered the US airbases during Korean War and Indochina conflict.

However, the general feeling of the UNP leadership during this period regarding its relationship with the US was that it had not been reciprocal enough to assist the small country at the time of economic crises though it had been rigorously campaigning against communism for a free and democratic world. The death of the first Prime Minister in 1952 brought his son Dudley Senanayake into power as a temporary successor with the blessing of Lord Soulbery who trusted him to continue the legacy of his father as a Western ally. During the short period of Dudley Senanayake's tenure from 1952-54, he diverted his energy on preventing a possible collapse of the economy due to the fall of the export earnings (see the table for an idea about Ceylon's major exports). The diplomatic entanglement with the USA over Sino-Ceylon Rubber-Rice Agreement, which we study in this section, was major highlight of foreign policy issues during his period in power up to 1954.

Table 2: 1, Ceylon's Composition of Exports 1947-1956 (Rs. Million/Percentage Share in Bracket)

Category	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Tea	566.52 (63.73)	590.27 (58.38)	649.85 (61.13)	751.65 (48.09)	800.04 (42.02)	723.05 (48.14)	825.00 (52.61)	1,122.80 (62.07)	1,194.23 (61.56)	1,043.83 (60.16)
Rubber	135.55 (15.24)	141.62 (14.01)	122.86 (11.56)	401.12 (25.66)	572.44 (30.07)	363.06 (24.17)	328.89 (20.98)	275.97 (15.26)	350.35 (18.06)	300.30 (17.85)
Cocconut	92.98 (10.46)	151.50 (14.99)	168.39 (15.84)	148.05 (9.47)	319.81 (16.80)	231.56 (15.42)	243.82 (15.55)	211.89 (11.71)	225.38 (11.62)	213.05 (12.28)
Other	94.00 (10.57)	127.61 (12.62)	121.90 (11.47)	262.18 (16.77)	211.71 (11.12)	184.33 (12.27)	170.29 (10.36)	198.34 (10.96)	170.04 (8.76)	185.55 (10.69)
Total	890.00 (100)	1,011.00 (100)	1,063.00 (100)	1,563.00 (100)	1,904.00 (100)	1,502.00 (100)	1,568.00 (100)	1,809.00 (100)	1,940.00 (100)	1,735.00 (100)

Source: (HRD 100:1, 18 July 1995, col. 29)

This section discusses how Ceylon engaged US particularly in the diplomatic sphere and assured that its relations with the super power would continue under all the

circumstances. First I would deal with the diplomatic battle on making trade agreement with China and obtaining economic assistance with China. Also, US's military requirements, and Ceylon's pro-US behaviour despite all negative implications of US foreign policy toward the small state would be analysed here. Much of this section is based on US declassified archives of communication between the Department of State and Embassy in Colombo and other South Asian representatives of US.

DS Senanayake and USA

Ceylon under the first Prime Minister considered democracy as the major thread that linked Ceylon to USA. Addressing the HOR he told that "As far as the United States is considered there is not the slightest doubt that she holds the view that we hold. That is, they are for democracy" (*HRD* vol.8, 1950, col.487, also cited in Kodikara 1988:99). Ceylon's close relationship with the UK somehow did not encourage it to move much with the USA in the early years of relations. As Kodikara rightly points out it was the Commonwealth and the UK that inspired Ceylon's democracy but not the USA (1988:99). Jayewardene, who later came to be known as "Yanky Dicky" because of his allegiance to US was realistic enough to realize the world political reality during the bipolarity and told, "there are two powerful factors, the United States of America and the USSR" (*Ibid*, col.293 cited in Kodikara 1988:99). However, he emphasised that as long as the UNP was in power it would be closer to the USA since it followed democratic principles (1988:99).

Up to 1952 US was the major trading partner of Ceylon (Sinha 1992). Ceylon's primary crop export sector had success during the Korean War led 'commodity boom'⁴⁹ (Lakshman and Tisdell 2000: 215) since rubber prices were very high. However, Ceylon began to experience economic recession once the war was over and after the US found alternatives for natural rubber. The deteriorating financial situation due to the decline in dollar earnings with the reduced demand for rubber, the major dollar earner for the country during the period, forced Ceylon to look beyond its Western allies.

⁴⁹This was during 1950-51, and, thereafter, Ceylon struggled to find market for its rubber produce.

The year 1952 marked drastic losses for Ceylon both in terms of its dollar position, and the tragic death of its first Prime Minister. The successor was Dudley Senanayake, son of DS Senanayake. In 1952 the reduction in US purchases of natural rubber in Ceylon created a financial recession, which made the government become more concerned with the handling of the economy since it badly affected its import of rice from states which accepted only dollars for much of their international trade. Why the USA reduced its purchases of rubber is probably due to its use of artificial rubber, but Ceylon's shipments of rubber to China, a country in the Soviet-bloc, was perceived to be a major reason (*see* Copper 2016: 50-1; De Silva and Wriggins 1994:272; Hsiao 1977: 30; Amarasingam 1953).

US Terminates Aid

When in October 1951, the Polish vessel *Mickiewicz* took the first major shipment of Ceylon's rubber to Communist China, the US Government immediately responded by terminating all aid to Ceylon according to the Battle Act (*FRUS, 1952-1954, XI:2; pp.1499-1500*).⁵⁰ The US responded further by terminating US aid to Ceylon and its rubber purchases further declined. These developments forced Ceylon to take diplomatic steps in order to restore relations between the two states after the shipment of rubber to China. As Guffler, the then ambassador in Ceylon, explained it, Ceylon wanted to re-establish a 'normal pattern of US rubber purchases' (*Ibid*). Yet, at this juncture, the US "categorically denied" that there was any "relation between *Mickiewicz* shipment and decline in US rubber purchases which should be attributed to purely economic reasons" (*Ibid*). As the diplomatic communication between the Ambassador in Ceylon and the US State Department shows, the US was willing to discuss rubber purchases provided Ceylon would agree to general principles of the Battle Act, but there was a fear that once the talks began the US would "push Ceylon around" (*Ibid*). According to the Governor of

⁵⁰ *Foreign Relations of the United States, 1952-1954. Africa and South Asia (In Two Parts): Volume Xi, Part 2, pp.1499-1632*, (United States policies with respect to Ceylon, documents 908-998) [hereafter *FRUS, 1952-1954*], [Online] URL: <https://history.state.gov/historicaldocuments/frus1952-54v11p2/d908>, accessed 18/12/2013. In this telegram (No. 846E.2395/1-852) US Ambassador to Ceylon explained the political and economic situation of Ceylon to the US State Department.

Ceylon's Central Bank, Ceylon had the understanding that the "US would not consider a bulk buying agreement" if Ceylon did not assure to stop further "shipment of rubber to China" (*Ibid*). The US policy as understood from a series of communications between the State Department, Secretary of State, South Asian State Department, other offices, etc. and the Ambassador in Ceylon, was to persuade Ceylon to stop shipments of rubber to communist countries by the UN and the US during this period (*FRUS 1955-1957*: 30-42). In fact, Ceylon became the major supplier of rubber to China, defying the UN embargo, while Malaysia and Indonesia remained restrained in compliance with the Battle Act.

As Ceylon continued shipments of rubber to China and moved toward making a Treaty assurance for the rubber trade, the US used its diplomatic leverage, coercive economic diplomacy and covert measures to stop Ceylon. From January 1952 to October 1952, until Ceylon signed a historic Rubber-Rice Treaty with China, Ceylon led a huge diplomatic attempt to make the US cognizant of its economic situation, of its deteriorating rice stocks, dollar crisis, rise of communist threats to regime survival etc., but the US unilaterally pursued its policy of trying to make Ceylon adhere to 'the Battle Act' (*FRUS, 1952-1954, XI:2: pp.1502-3*).⁵¹

Ceylon argued that the Battle Act had no relevance for India and the UK which had trade with China and that this was only a case of a small power was being coerced by a superpower. For the US the continuance of Ceylon's exports to China seemed an issue that could have established a precedent for other states which wanted to trade with China but refrained due to fear of a coercive response from the superpower. Ceylon, which was not a member of the UN and had faced a severe domestic economic crisis with the rise of

⁵¹This is found in a foot note 3 in the telegram no. 493-46E9/1-952 dated 09/01/1952 sent by Peter H. Delaney South Asian Affairs Office to the Director of that office), accordingly, the Battle Act is "The Mutual Defense Assistance Control Act (H.R.4550), sponsored by Laurie C. Battle of Alabama, provided for the suspension of economic aid to nations supplying strategic materials to Soviet bloc nations. Suspending the Kem Amendment, which had a similar provision, the Battle Act was passed by the House and the Senate in August and approved by the President on October 26. Title II of the Act specifically enumerated the strategic commodities which were to be denied to Communist countries" in *FRUS, 1952-194*; [Online] URL: <https://history.state.gov/historicaldocuments/frus1952-54v11p2/d910>, accessed 18/12/2013.

rice prices and a shortage of rice supply, was fearless in defying the Battle Act in order to procure the necessary rice by trading rubber to China, that otherwise attracted low prices in the international markets.

At first, Ceylon preferred to enter into an agreement with the US on rubber purchase in the style of the US-Cuba, rice-sugar agreement (*Ibid*). But, what the US wanted to establish was a 'US-Thailand' style Rubber Agreement which allowed the market forces to decide on the quantity and the amount of purchase.⁵² Ceylon's concern was rather to transcend the market forces which had affected rubber prices, bringing about the industry's collapse, and wanted the assurance of the US buying fixed quantities at fixed prices higher than the average market prices. Ceylon was aiming to strengthen dollar earnings while assuring uninterrupted trade in rubber and the import of rice to the island. From the US point of view, their government's involvement in the trade was a small concern, except for the issuing of trade licences for export and imports.

The US Secretary of State writing to the Embassy in Ceylon on January 08, 1952 said that USA was still willing to discuss the possibility of rubber contract with GOC, but it wanted the negotiations to conclude within a month or two (*FRUS, 1952-1954, XI:2: pp.1499-1500*). However, according to the South Asian Affairs Office, the GOUS (Government of US) would not conclude the agreement "without having assurances from Ceylon with respect to the control of shipment to China" (*Ibid, pp.1502-3*). The USA in no sense wanted a rubber agreement 'to be treated as "buying off" Ceylon, but it wanted "a friendly and cooperative attitude" from Ceylon with respect to rubber shipment in general (*Ibid*).

The USA's stance was that unless the GOC gave assurances, it would not conclude a rubber agreement with it (*Ibid*). On the other hand, the USA had calculated the consequences of not concluding an agreement with Ceylon in the midst of Battle Act already having a negative impact on other countries. If the USA relaxed the conditions only for Ceylon it would have a negative effect on its propaganda against communism

⁵² Copy of Thailand-US Agreement was given to Claude Corea by US State Department for his information

and other countries would also expect the same US policy toward them; and therefore the USA attempted to get Ceylon to adhere to the obligation of controlling exports to China.

Shortage of Rice

Meanwhile, Ceylon struggled to deal with its food problem with the shortage of rice stocks in the country growing during the first two quarters of 1952. “The shortage in the commodity of rice” was taking centre stage in Ceylon politics while also having international repercussions with other parties and the opposition capitalizing on it for anti-government propaganda (*Ibid*, pp.1503-4). Ceylon with the help of the USA could get a loan of rice from Japan. The Communist Party of Ceylon having 40 seats in Parliament and S.W.R.D. Bandaranaike, who defected from the ruling party, added pressure to show that domestically the UNP was in trouble as the general elections were nearing. The liberal democratic government was in no position to suppress the spread of communism in the country as it respected liberal political freedom. Since the food situation was ‘very critical’ Ceylon needed international assistance to procure additional 200,000 to 300,000 tons of rice immediately (*Ibid*). Ceylon also could not secure an additional amount of rice from Burma, and Thailand also could only assure 10,000 tons and Ceylon could not afford to buy rice from America owing to its “small dollar earnings” (*Ibid*). The GOC “genuinely regretted” that, with its sale of rubber to China, the USA would have “disheartened of its friend” (*Ibid*).

In this context, the Minister of Food and Cooperatives of Ceylon, A. Rathnayake told the US officials on 18 January 1952 at the US Embassy in Bangkok that “Ceylon was anxious to remain in the democratic camp”, but at the moment it had “serious difficulties in food” (*Ibid*). In this meeting with officials from the US F.O.A, the Minister revealed that Chinese Communist Government (CCG) had come forward with 100,000 tons of rice,” an offer which had put the regime in a position of not being able to reject it; since, domestically, it could face severe criticism “for not accepting the Chinese offer”, though it was “spurious” in nature (*Ibid*). The fact that Ceylon was severely affected by rice issue was also reported to the US State Department by Ceylon’s US Ambassador on 30 January 1952 (*Ibid*, pp. 1504-5). This report revealed that Ceylon was far behind securing the required amount of “500 tons, average 6.7 ounce per day per capita” (*Ibid*).

Attempts to make Rubber Deal with the USA

While the trade relations with the USA was facing a crisis, the GOC tried to restore the relations with the US, which had been adversely affected after the shipments of rice to China. Writing to the State Department, Satterthwaite, Ambassador in Ceylon, reveals that Ceylon wanted the GOUS to provide development assistance, and also Ceylon wanted to enter into a Rubber Agreement with the US (*Ibid*, p.1505). Further, Ceylon would like to enlarge such an agreement to include U.S. assistance in procuring for Ceylon certain needed materials, including defence items. However, the US wanted the possible rubber agreement to stand on its own feet and be concluded “rapidly if Ceylon were interested in” (*Ibid*).

The cabinet of the GOC had a divided opinion regarding a future rubber agreement should take place, either with China or the USA. The Commerce Minister, R.G. Senanayake was in favour of expanding trade with China at the expense of commercial ties with the United States. He was leading the delegation to China in fall of 1952 for talks on trade relations that centred on rubber-rice deal (*see De Silva and Wriggins 1988: 271-2*).

In an agreement on rubber sales, Ceylon wanted from the US assurances on average higher prices to the market prices, which the U.S was not agreeable to the suggestion. Then Ceylon inquired of the U.S whether the Battle Act applied only to trading with China and not with other countries; according to the information received by the editor of the London based *Daily Telegraph*, the USSR had bought 3,000 tons of rubber in Ceylon for shipment in the months of February/March 1952 (*The Island*, 22 Dec 2012).⁵³ In this incident the US had not responded in any manner, but it vehemently wanted to stop the future Rice-Rubber deal with China, which was taking place against the backdrop of Ceylon’s diplomatic dealings with the USA. These dealings were viewed as a mission of ‘checking pulses’ regarding the friendship, as well as making an advantageous deal that

⁵³Also see, Saman Kelegama “The Significance of the Ceylon-China Trade Agreement of 1952 by Dr. J. B. Kelegama”: URL: <http://www.island.lk/2002/12/22/featur06.html> accessed 26/7/2016.

could transcend the benefits from any possible Chinese offer which was yet to come (*FRUS, 1952-1954, Xi:2*).

The US's insistence that Ceylon should allow the open market to decide on the rubber trade was not to the satisfaction of the GOC. What Ceylon wanted from the US was 'commitment' that could not be expected from the treachery of the open market. In the meantime, the US thought that it would be held for 'unjustifiably high prices' if Ceylon struck a deal with it in selling its rubber production. The GOC was unwilling to announce an embargo on the shipments of Ceylon rubber to China because it wanted to see first the actual record of US purchases. Ceylon's expectation of the US commitment that could guarantee dollar earnings sufficient for rice imports and foreign exchange stability would not be liked by the US private traders and thus the US might be unable to fulfil it later. In the meantime, the State Department wanted Claude Corea, Ceylon Ambassador in U.S. to study the US-Thailand rubber deal and wanted to expedite the negotiations as soon as possible (*FRUS, 1951 VI: 2, doc. 88*). Nevertheless, Ceylon was not acting in haste and was finding reasons to delay such a deal with the US.

First, the GOC pointed out that because the elections were nearing and the cabinet could not take decisions, the ratification of such a deal will take time. On the other hand, the GOC was seeking to strike the most advantageous deal that might solve both its foreign currency and rice issues. The US questioned the ability of Ceylon to supply fixed quantities of rubber on a monthly basis if they agree to do so in the deal. Ceylon's commitment to provide a fixed quantity of rubber (5000-6000 tons monthly) was a condition that the US wanted because it knew that if Ceylon wanted to supply in that fashion it had to stop shipments to other destinations.

This destination control was behind the agreement that the US wanted to enter into with Ceylon regarding the rubber purchases. GOC then began to search for other buyers, which could save it from the dangers of the open market trade. In the opinion of the Acting Secretary of the State "prior to the shipments to china, it was the major buyer of Ceylon rubber, averaging 59% of the total natural rubber production of Ceylon. However, with China coming into the scene US purchases had declined to 15% by 1952 and the GOC then began to search for other buyers, which could save it from the dangers of the

open market trade. In the opinion of the Acting Secretary of the State “the signed contract affords real protection for both parties and should be effective as a means of enabling the GOC to prevent shipments to China without announcement” (*FRUS, 1952-1954 XI: 2: p.1508*). Instructing the US Embassy in Ceylon, the Acting Secretary of State further said that the US would buy reasonable quantities based on a pattern of 4000 tons a month for three years. According to him, if this was to materialise, the GOC could stop shipments to China. The message was clearly instructing, “control (of) exports to China (was) implicit in rubber agreement ...this would of course ease Battle Act discussions when held” (*Ibid: p. 1509*). Thus, it is obvious that US’s attempt was to somehow get Ceylon to adhere to the Battle Act. Meanwhile, Ceylon’s Central Bank Governors were of the opinion that “Ceylon would be extremely reluctant to undertake any commitment which would require it to enter the local rubber market” (*Ibid, p.1510*). It seems that Ceylon was closely reading the US strategy to control the local rubber market of Ceylon by making the GOC oblige to the agreement conditions, which ultimately would result in little or no exports to China.

The US assured Ceylon that if it entered into an agreement with it, Ceylon’s dollar crisis would be solved favourably by bringing stability to the economy (*Ibid*). The US tried to add conditions that the GOC stop the sale of rubber to other destinations – obviously targeting the Soviet bloc- and to do so, it would have to use one or several of the following options to leverage government control of the rubber trade.

1. Informal agreements with rubber dealers to make certain that necessary quantities would be offered;
2. Export license system which would direct the desired quantities to the US;
3. Entrance of GOC into the market as buyer to extract desired quantities for the US;
4. And complete appropriation of rubber output by GOC (*Ibid*).

In contrast to these conditions that were to bind the GOC as the chief supplier of Ceylon rubber to USA, the Thailand-USA deal used minimum intervention on the part of the government (*Ibid*). The US would not strike a deal with Ceylon unless these conditions were adhered to by it. The US Embassy in Ceylon sent the DOS a list of things the Ceylon government was proposing in this context and the GOC was convinced of the

desirability of the contract from the point of view of dollar earnings and a desire to restore cordial relations with US.

Ceylon was also anxiously trying to find a 'plausible pretext' for embargoing rubber shipments to China as it was 'fully aware of the moral implications' of this act (*Ibid*). The Ceylon government also feared the real political risk of being accused of selling out Ceylon's rubber interests to the USA: GOC could not justify any loss that might be incurred due to this contract by producers or traders and they must not be forced to take losses because of the contract. Embargoing rubber to China could "depress the market which was the maximum risk GOC was willing to take" (*Ibid*). Also the GOC would not persuade the traders to accept Singapore noon prices as a basis of the contract. The GOC also faced opposition within the ruling party in case it signed an agreement with the US on the purchase of rubber that could be seen as binding the interests of the state to the superpower.

As the rice situation of Ceylon was deteriorating, the government attempted to get the US Embassy to convince the State Department that these difficulties could lead to political destabilization and economic crisis. The GOC wanted the USA to procure rice for which it would make payments (*Ibid*: pp. 1513-4). The GOC expected the US to take 'practical measures', but for the US, it was difficult for such assistance to be provided immediately. The Secretary of the State wanted the GOC explore the "private trade possibility for procurement of rice" since both Thailand and US were unable to assist with supplies *Ibid*, pp. 1522-3). However, the proposed US-Ceylon rubber deal would not materialise as the two parties could not find agreement over terms.

Defence Arrangement

A memorandum of conversation between William Witman II of the Office of the South Asian Affairs and Ronald H. Belcher, first secretary British Embassy, reveals that the GOC brought to the attention of the US through the UK, the "possible interest of the GOC in a defence arrangement with the US" (*Ibid*, pp. 1514-5). The position of the UK in this regard was not encouraging for the proposal. The general conclusion of the British's Chiefs of Staff was that the Ceylon's approach should not be taken seriously.

Politically, the British considered that as long as the UNP regime remained in power it would not face any “danger of Ceylon ceasing to align itself with the West” (*Ibid*). The UK-Ceylon agreement on Defence and External Affairs made in November 1947 and “the discussion in January 1952 with the PM who said that the UK could count on continued use in peace and war of the facilities and establishments in Ceylon now occupied” (*Ibid*). The US assumed that as the UK had allied with it, Ceylon would make available the same facilities under UK-Ceylon Defence Agreement. The situation could differ if the UNP was removed from power, and the UK’s opinion was that it would be unwise to continue US-Ceylon discussions in this regard. Since the rubber shipments to China were being continued in spite of the US’s diplomatic manoeuvring, there was no room for such talks either.

Dudley Senanayake and USA

After the death of Prime Minister D.S. Senanayake, the First Prime Minister of Ceylon, on March 22 1952, his son Dudley was installed as the Prime Minister of the caretaker government until elections took place later in the year. The government of Dudley Senanayake also continued the dialogue with the US about entering into a possible agreement with the US on rubber purchase and made suggestions for a two year agreement that would allow 72,000 tons of Ceylon rubber to be sold to the US (*Ibid*, p.1517). The US kept insisting that it would not accept the Colombo Market Prices but the Singapore prices on the date of purchase or the 30-day average price from Singapore in the preceding month. The US’s position was that entering into an agreement would guarantee the regular source of US dollars and allow Ceylon to meet the demand for imported commodities. Taking another step forward, the US set 30th April 1952 as the deadline for US-Ceylon rubber agreement, after which it would not be possible to make an agreement under the circumstances (*Ibid*, p.1519). From Ceylon’s side the deadline was not to be accepted as the caretaker government was preparing for general elections and it was not in position to make cabinet decisions at the time then since the Parliament had been dissolved. Thus, the opportunity to come to an agreement was lost by both the parties and the US went on to make a series of attempts to stop Ceylon’s rubber trade with China and secure a possible long term written agreement.

Facing US Sulphur Embargo

Despite the US and the UN embargo on the states exporting strategic materials including rubber to Soviet Bloc countries, Ceylon had kept shipping rubber to China, which made the US stop aid to Ceylon. Since the diplomatic and political attempts to make Ceylon impose an embargo on shipments of rubber to China failed, the US began to use coercive and covert measures to get the small state behave in the way it wanted it to according to its interests in the Asian region and the international arena. One such coercive attempt was to adopt an embargo on the export of sulphur, a chemical used by rubber planters to protect the rubber tree from fungus, to Ceylon (*Ibid*, p.1544). The US expected that once the sulphur was unavailable for the rubber producers, it might make an impact on the industry which would turn to the government in order to stop trade with China and get US assistance to save its rubber production (*Ibid*). The US also attempted to get its western allies the UK, France, and Italy etc. to stop their sulphur trade with Ceylon. The sulphur embargo did not yield the results the US expected from it due to the non-reciprocity of its allies. Also China came out to export sulphur to Ceylon while Ceylon managed to tackle the issue with the assistance of western and non-western states.

On 30 June 1952, the US stopped buying rubber for its current consumption, but kept buying natural rubber for stockpile. The secretary of state assessed that “despite repeated objections to GOC by US, Ceylon has exported substantial quantities of rubber to China since fall 1951” (*Ibid*, 1525). “The objections were based on the assumption that China would use rubber in its aggression against the UN” (*Ibid*). The USA stopped aid to Ceylon and “cancelled export licences for materials used for the rubber industry” and “sulphur was the main” item to be affected (*Ibid*). In the US’s analysis, the shortage of sulphur in Ceylon market would cause a ‘fungus-attack’ on rubber plantations which would lead to protest by plantations and forced the GOC to stop shipments to China in order to obtain sulphur’ (*Ibid*). At this point, US wanted to stop the rubber deal with China even by the destroying the entire rubber cultivation in Ceylon. Despite these severities, GOC kept negating with the US, since it clearly knew the significance of friendly relation with the superpower.

To discuss the possibility of US rubber purchases, Ceylon sent a delegation led by Oliver Goonetilleke, Food and Agriculture Minister, to the US in July 1952. With the previously received assurances of financial assistance to the tune of 37 million US\$ from the UK to buy much needed rice, the Ceylon delegation had talks with the US Government. The delegation had meetings with the officials of various departments and the Assistant Secretary of State, South Asian office Chief etc. The US learned that Ceylon was looking for “some measures to provide a politically acceptable rationale” to stop shipments to China (*Ibid*, p.1526). Among the major issues that Ceylon wanted to discuss were as follows.

1. United States’ supplies of rice and flour for Ceylon,
2. A long term agreement with the US for selling Ceylon rubber,
3. An exemption for Ceylon under the provisions of the Battle Act,
4. An agreement for the provision of economic and financial aid to Ceylon (Point 4 aid suspended in October 1951) (*Ibid*, p.1526-7).

Regarding the US demand of embargoing rubber shipments to China, the GOC argued that “an embargo needs to be accompanied by some measures which would provide rationale for internal political purposes” (*Ibid*). In the GOC’s thinking, “a joint US-Ceylon economic development program of a magnitude considerably in excess of the \$300,000 that could guarantee the expenditure for the fiscal year 1953” would enable it to justify stopping the rubber trade with China (*Ibid*). Ceylon’s discussions with the US Government centred on its immediate requirement for rice, but Ceylon incorporated some other areas of cooperation that it expected from the USA such as technical cooperation for development of water storage, paddy cultivation etc. Ceylon pointed out that its foreign assets were fast dwindling and sufficient only for another two years. Ceylon wanted the US aid to restore exchange and local currency requirements. Ceylon’s argument was that once economic development was underway it would be able to make an even greater contribution to freeing the world of communism. Also the UK had given assurances that it would release dollars for the current requirement of purchasing rice.

The delegation led by the Food and Agriculture Minister of Ceylon had discussions with the US officials who knew that Ceylon had received incentives from USSR and China for marketing its rubber production (*Ibid*, p.150-5). The Prime Minister especially wanted

and expected the US to reciprocate for the role Ceylon was playing in South Asia as a democratic state-fighting communism. Also Ceylon thought that under the circumstances of bi-polarity the country's geographic position would be taken much into consideration by the superpower in making an advantageous offer for Ceylon to help it emerge from its economic crisis. These calculations by the small power were a far from realistic understanding of the US which expected Ceylon to behave the way it was asked to behave by stopping relations with the communist countries and not supplying them with strategic materials under any circumstances. However, since bipolar conditions were highly encouraging for small states to have autonomy in trade and political undertakings, Ceylon could proceed with the talks with China almost simultaneously while its diplomatic circles were bargaining for a better deal on rubber trade with the US.

Oliver Goonetilleke briefed the US officials about developments since Ceylon started shipping rubber to China (*Ibid*, pp.1530-3). According to him, "shipments to Communist China have brought about a 5 to 7 pence (5.75 to 8.05 U.S. cents) premium for sheet rubber prices in Ceylon" (*Ibid*, p.1531). However, it was mentioned that "falling world prices...of rubber are severely" affecting Ceylon rubber industry" (*Ibid*). In this context Ceylon was much concerned about the dollar area countries and the Prime Minister was "very keen" on working out some means of returning Ceylon's rubber exports to the historical trade pattern", meaning to the US (*Ibid*). The US representatives could not show the warmth that Ceylon wanted to feel from it, but told that it was conscious of the problem Ceylon and so many other countries facing in maximizing their dollar exchange receipts in the midst of rubber embargo to Soviet Bloc and falling prices in the market.

Nevertheless, for Ceylon's immediate need of foodstuffs, the US would help only through commercial channels. The price of rice in the US market was at 10.50 cents and Ceylon was not quite happy with such a high price. Regarding the rubber shipments to China, Oliver told the US that the Battle Act requirements would be met 'if informal assurances' would be given by the US of a possible rubber contract with Ceylon (*Ibid*: p.1534). The US gave no assurance on aid at this stage. Goonetilleke informed the US that the Ambassador of Communist China in Rangoon had approached the Ceylon

Ambassador there and given assurance of 100,000 tons of rice for sterling and that China expected to receive a delegation at Peking from Ceylon (*Ibid*).⁵⁴

On his return to Ceylon, Oliver Goonetilleke informed the US Embassy that the Prime Minister expected proposals for a rubber agreement from Washington and technical assistance before he could officially discuss the issue with the Cabinet. Ceylon waited for proposals from Washington but did not go so far as to suggest terms from its side. At the least, Ceylon expected the US would offer to buy 5000 tons of rubber monthly over a two-year period, an offer that it could take forward to beat the oppositions clamour for signing an agreement with China. On signing such an agreement even without a premium price, but with market-based prices, Ceylon would undertake to stop shipments to Communist China. Also, Ceylon expected US \$100million aid over a five year period from 1952 onwards (*Ibid*, p.1535). However, none of these expectations materialised as the US expected the first commitments from Ceylon by scrapping the rubber trade with China, which Ceylon could not afford to undertake in the absence of another buyer of its product with permanent assurances of purchases for the long term.

Trade Options Not Limited to US

In the domestic scenario, Goonetilleke failed to persuade his cabinet colleagues that the GOC should refrain from sending a delegation to China (*Ibid*, p.1536). The Ministry of Commerce favoured such a mission but the Prime Minister was still undecided as he wanted to keep the goodwill of the Western superpower. However, with the circumstances forcing the Prime Minister, he said publicly that “Ceylon was not going to be limited in searching for sources of rice and that he would soon send a mission to China

⁵⁴China was approaching Ceylon with lucrative offers for Ceylonese rubber producers. This was what made the opposition question the government as to why it was reluctant to undertake Chinese offer, even the LSSP MP N.M.Perera offered himself to go to China for discussion, a request from a communist in the opposition, which was turned down by the PM. With the lukewarm attitude of the US on Ceylonese issues, GOC was undertaking a Chinese mission with the Commerce Minister R.G. Senanayake leading it. However, the pro-western Oliver Goonetilleke and others attempted to woo the US to sign the rubber agreement with Ceylon before China would have concluded it.

to negotiate a rice purchase. Ceylon's willingness to canvass all sources would apply to any other commodities of prime concern to the Ceylonese people" (*Ibid*, p.1537).

Now with the Chinese mission forthcoming, the GOC did not explore much about the possibility of US-Ceylon Rubber agreement. However, it still required "substantial economic and technical aid in order to "launch massive attack" on the problem of increasing local food supply" (*Ibid*). The GOC wanted US assistance on agriculture and rice production, which were needed to tackle the long-term food issue. The developments with China, however, did not help Ceylon receive US aid.

The GOC informed the US Embassy that its China mission did not want to undertake "any commitment but merely listen and report back any proposals" (*Ibid*, p.1538).⁵⁵ Meanwhile, *Ceylon Daily News*, the Government news agency, published what a Chinese spokesperson in New Delhi Embassy said regarding the developments between Ceylon and China with the US backing out of the rubber purchase. The newspaper report said: "America is trying to get Ceylon rubber without paying fair price. We (Chinese) can take as much rubber as Ceylon can give and can give as much rice as Ceylon wants" (*Ibid*, p.1539). The publicising of this view through the local media indicated it was as much an instance of what the locals wanted to convey to the US rather than what the GOC wanted to tell in public regarding being let down by the Western superpower at the moment when Ceylon required its assistance.

If the GOC had undertaken to implement what the US proposed to do so regarding Chinese rubber trade and followed the Battle Act, it would have been costly for the small power, economically and politically. As the US Embassy in Ceylon reported to the DOS, that with the "dim economic outlook and particularly falling prices of Ceylon exports, GOC is politically, economically unable to take step, *i.e.*, embargo rubber to China, which would eliminate premiums now being paid by Chinese and result in throwing out of production estimated 100,000 acres of marginal rubber holdings" (*Ibid*, p.1539).

Ceylon wanted the US to realise that "China mission was sent at the invitation of Chinese and GOC took no initiative" (*Ibid*). Ceylon's cabinet considered the mission necessary

⁵⁵ Telegram sent by the "Charge in Ceylon (Guffler) to the Department of State" on August 12, 1952.

from a political point of view. Ceylon was disappointed to see the small appropriation for assistance to Ceylon, particularly US aid being stopped, and it did not give “greater encouragement” for Ceylon’s requirements of economic aid (*Ibid*). However, the GOC was now not mainly concerned ‘about the rubber agreement’ but ‘economic assistance’ (*Ibid*). In the analysis of Guffler, US ambassador to Ceylon, “Only rubber agreement plus economic aid would enable GOC justify embargoing rubber to China and to make such step acceptable to Parliament and public” (*Ibid*). The actual necessity at this stage of the GOC was financial assistance and it had to find alternative avenues, which had only come from China, a communist state. It was all rather ironic for the small state which wanted to side with the democratic world while having little faith in free market the promotion of which was a major objective of the US foreign policy.

While the China–Ceylon discussion was being undertaken, the GOC attempted to maintain the diplomatic goodwill with the US through their Embassy in Ceylon. Though the US could not make a ‘binding commitment’ regarding rubber purchase, Ceylon was willing to accept any reservation from the US side (*Ibid*).

Factions in Cabinet over Chinese Deal

There were certainly two factions working in two opposite directions regarding rubber exports and rice imports in Ceylon. Oliver Goonetilleke, as a powerful Minister in the cabinet, was trying his best to make a deal with the US in order to avoid the forthcoming deal with China. On the other hand, it seemed the lucrative offers from Chinese side at a time when the world market offered lower prices for rubber had stimulated the local producers, who had successfully lobbied the Commerce Minister to go ahead with an agreement with China. However, the superpower was pressing the government in several ways to scuttle the agreement; and, Ceylon was the only state, which was breaching the UN embargo. Also, Malaya and Indonesia wanted to do so, but refrained from doing so as they were members of the UN, but Ceylon was not a UN member. The US disregarded the fact that Ceylon was not a UN member, but rather were simply annoyed to see that its enemies receiving strategic materials uninterruptedly, strategic materials which were to be used for military purposes against the UN and the US armies in the military theatres of the East-Asia, Korea etc. The US attempted to bind Ceylon to its responsibility for

supporting the efforts of the US in freeing the world of 'communist danger' but Ceylon considered its domestic political stability and survival of the regime as primary goals and rationalised that if it weren't advantageous for the regime's survival, there was no 'long term interest' for it.

Though a mission to China was underway, GOC replied with its official position regarding the US proposals to undertake an embargo on rubber to China. According to the Permanent Secretary of the Ministry of External Affairs, Ceylon was appreciative of the assistance given by US in procurement of rice (*Ibid*, p.1539). The GOC also was studying the terms of rubber agreement as suggested by the US. However, the GOC was disappointed by the small appropriation the US was giving for assistance to Ceylon and particularly that the US did not give "greater encouragement" to Ceylon's future economic requirement (*Ibid*). Due to the political and the economic situation in Ceylon in the backdrop of the deteriorating prices for Ceylon's exports in the world market, it was not in a position to undertake such an embargo on China.

Further, the GOC stated in its official reply to the US that it regretted "exceedingly it must reject US proposals" for lack of "adequate political and economic justification for embargoing rubber to China" (*Ibid*). The GOC hoped that US would reconsider its position on the amount of economic assistance to Ceylon. The Permanent Secretary of MEA Ceylon in discussing the issues with the US Embassy in Ceylon further pointed out that the GOC was not vitally concerned with the rubber agreement, but considered "greater economic assistance of more importance"(*Ibid*). "It was understood that GOC was asking for substantial economic assistance from the US, which it could use as a shield to resist the inner party resistance and the Communist opposition that demanded the signing of rubber agreement with China. Unless the US proposals were "sufficiently glowing to convince the cabinet" any agreement with the US be unacceptable to the public (*Ibid*). Prior to the death of the first Prime Minister, the GOC just wanted to sign a rubber agreement with the US but with the appearance of China and higher prices, now the GOC 'had raised its price', according to the US officials (*Ibid*, p.1538).

Ceylon's press was in favour of the China-Ceylon agreement and reported that the US had brought 'strong pressure on GOC to prevent' the departure of the Ceylon mission to China. The USA considered that public opinion in Ceylon would be not favourable to it if it further stirred controversy regarding the agreement and that it could provide necessary fuel for local communists in Ceylon to go against the US. As the US thought of it, the GOC was taking popular measures to counter the rubber-rice issue in its attempt at dealing with China. If the US criticised the agreement in public it could have brought 'contrary results' and lost a friendly environment when dealing with Ceylon. The US expected that Ceylon's China mission would learn the "dangers and difficulties involved in dealing with" China and thought "more responsible members in government would share this" idea (*Ibid*, 1540).

Ideology vs. Regime Survival

In the opinion of the PM "if possibility of obtaining Chinese rice were not explored and if profitable sales of rubber to China were shut off" his government would be overthrown through the protests of rice consumers and rubber producers (*Ibid*, p.1542). At this instance the US Ambassador attempted to convince the PM that there was the danger of Ceylon falling into communist clutches, and US public opinion going against Ceylon as it kept supplying rubber to China's 'war machine' (*Ibid*).

Similarly, the US stressed that if Ceylon had stood against communism clearly, it had to adhere to the Battle Act despite the consequences of the action on its polity and economy. However, the UNP government which was an ardent anti-communist force went on discussing with China since it had not received any a concrete measures to counter the economic crisis it was facing as a result of declining export earnings for its primary products. Since the US did not commit to assist Ceylon in the same way it has assisted, particularly, India, and some other states in Asia, it denied US proposals of embargoing Ceylon rubber to China. As a small state Ceylon had the leverage to choose between what it would have thought the best option at that time as consequence of the bi-polarity's rivalry among the West and Communists. Ceylon as a small state, finally had done away with ideology and prioritised its national economic interest over and above all other relations. On the other hand despite Ceylon's effective diplomacy did not relax Battle Act

but kept strongly its anti-Communism and suspected Ceylon's rubber helped the military machine of China, and aimed further to stop the shipments of Ceylonese rubber to China.

Joint US Efforts to Stop Rubber Deal

Ceylon learned that the US was “actively engaged in preventing other countries supplying Ceylon with sulphur” (*Ibid*, p.1541). The US Embassy reported to the DOS that US “policy of withholding sulphur has failed to achieve the objective of halting shipments of rubber to China” (*Ibid*). The Embassy therefore asked the DOS to “review the policy, particularly efforts to deprive Ceylon of sulphur of non-American origin” (*Ibid*).

Despite all unilateral actions of US, Ceylon managed to receive its annual requirement of sulphur (of about 6000 tons) from various other sources of supply. Then the US attempted to prevent the export of dusting sulphur to Ceylon from destinations in the West – Italy, France and London. In the opinion of the US ambassador in Ceylon, long-term US objectives could not be achieved by injuring the rubber industry in Ceylon through measures such as embargoing sulphur. Even if all the avenues for sulphur were closed to Ceylon, it would keep shipping rubber to China. Even more, the impression that the US was attempting unilaterally to destroy Ceylon's rubber industry would be detrimental for its future relations with Ceylon. Some suppliers of black sulphur such as France had its only export destination in Ceylon and was therefore could not afford to adhere to the US request for halting licensing exports of sulphur to Ceylon in the long run (*Ibid*, p.1544).⁵⁶ Therefore, it seemed that coercive measures such as this had failed since its Western allies did not support the unilateral actions of the US.

Reaching Agreement with China

The Minister of Agriculture and Food, Oliver Goonetilleke informed the US embassy in Ceylon about the China- Ceylon Rubber-Rice deal on October 20, 1952. According his information, China was to supply 200,000 tons of rice annually at a cost of 56 sterling

⁵⁶ Telegram from “the Ambassador in Ceylon (Satterthwaite) to the Department of State”, (No.446E.119/10-452).

pounds per ton. Already China had committed for 80,000 tons of rice, and would buy any quantities of No. 1, 2 and 3 of sheet rubber offered up to 50,000 tons annually from Ceylon paying a price of Rs. 1.75 per pound. If the world prices were to rise up the GOC was permitted to renegotiate the price. The agreement was for a period of five years subjected to annual revision. However, the GOC would not permit China to station in Ceylon either a diplomatic or trade representation. R.G. Senanayake, Minister of Commerce who led the delegation to China had categorically denied such facilities in Ceylon for China.

According to Goonetilleke, the cabinet was going to approve the agreement, as it had no alternative in providing rice for its people and selling its rubber production. He wanted the US to realise that the signing of the pact was not a result of sympathies for the communists and that the GOC would stand “staunchly on the side of West” (*Ibid*, p.1545). He had said further that “US should not worry over implications of agreement as we in Ceylon have ways of slightly tricking our enemies” (*Ibid*). Meanwhile, Britain’s Consular General in Peking had informed Ceylon that China was increasingly using rubber for civilian purposes rather than military purposes. When the Commerce Minister presented the agreement with China to the cabinet, he could use this information for greater emphasis on justifying the agreement. However, the US never believed in such information of “civilian consumption” of rubber by China (*Ibid*, p.1546).

On October 04, 1952, Ceylon signed a contract of rubber exports to China initially for a quantity of 80,000 tonnages at a price of Rs.720 per ton (*Ibid*, p.1546-7).⁵⁷ Bank of Ceylon and Bank of China would look after the accounts while the GOC promised to ensure freedom of using funds by the sellers to purchase and export of rubber and other products from Ceylon. Minister of Commerce, R.G. Senanayake who headed the delegation to China, presented the preliminary report of the agreement to the cabinet. His presentation pointed to Ceylon’s advantageous position according to the agreement. He said the rice was in excellent quality, better than what Ceylon used to receive from Burma.

⁵⁷Telegram no.446E.9331/10-2552dated October 21, 1952 from ‘the ambassador in Ceylon (Satterthwaite) to the DOS’.

GOC's cabinet ratified the trade agreement between China and Ceylon, as a loose agreement for one year, with possible extensions to be discussed annually, on October 17, 1952. The agreement had "no contractual obligations and merely expresses desire to promote trade" (*Ibid*, p.1546). The agreement listed several exportable commodities among the two countries, and importantly, sulphur was included as an item. China was to provide sulphur for Ceylon at an average of 2000 metric tons a year (*Ibid*). The annual trade volume between the two countries was expected at 250 million rupees on each side, payments for trade would be done in Ceylon rupees as per the Article V of the agreement (*Ibid*). Further, the two governments agreed to consider long term agreements for rice and rubber beginning from 1953 (*Ibid*).

China promised to pay an 'excess price' for rubber in comparison to the Singapore market prices. Moreover, despite offering fixed annual prices for rubber the parties agreed to prices in case of rise in world market prices and the GOC reserved the right to renegotiate prices with the Chinese government (*Ibid*). China agreed to provide rice for five years at an average of 200,000 metric tons per year (*Ibid*). Similar ways of fixing rubber prices would be applied to rice as well. From the GOC side it was agreed, that "[t]here will be no interference with export of rubber to China" (*Ibid*). In 1952, rubber prices had declined internationally, and the contract with China was therefore attractive for Ceylonese producers (*Ibid*).

According to US, Ceylon had reached an agreement with China (and become the 'principal source of rubber' for China by 1952) which was one of the major ideological rivals of the superpower in an era of bloc politics (*Ibid*, p.1548).⁵⁸ Nevertheless, since Ceylon was still not a member of the UN, the UN embargo of May 1951 banning the strategically important materials to China did not technically bind the small state. Malaya and Indonesia, the two major rubber producers in East Asia followed the UN embargo but questioned why Ceylon enjoyed 'preferential treatment' while breaching the embargo

⁵⁸ Telegram no. 446E.119/10-2252, "Memorandum" dated October 22, 1952, 'by M.G. Lyon of the Office of International Trade to the Chairman of the Operating Committee (Sawyer)., the Office of the International Trade (OIT) was one of the four major branches of Bureau of Foreign Trade and Domestic Commerce in US Department of Commerce.

(*Ibid*). Also the US feared that these countries would redirect their rubber to Ceylonese ports from where it would be re-exported to China. However, Ceylon PM denied such attempts to re-export rubber from Ceylon to other countries. During the period from September 1951 to June 1952 (In October 1951 US terminated aid to Ceylon), Ceylon's rubber exports to China grew up to 20.2%, which had previously been a mere 1% to all Soviet Bloc countries combined (*Ibid*). By August 1952, Ceylon had exported 38.7% of its rubber production to China (*Ibid*). Almost all the production of sheet rubber had gone to China by this time (92.2%) (*Ibid*). The 'weighted average' of the price differentiation offered by China to Ceylon was 36.9% from the prices of the Singapore market for the period from October 2, 1951 to August 15, 1952 (*Ibid*. p.1549). Meanwhile, Ceylon's rubber exports to its historical destination, the US, had drastically fallen down. In 1947, the US had a share of 59% of Ceylon's total rubber exports, which had declined to 15% during the period from September 1951 to June 1952 (*Ibid*). However, Ceylon's imports of other goods from US during this period had a substantial increase (*Ibid*).

China's Political Motives

China's generosity in offering Ceylon a highly advantageous contract for rubber purchase brought up 'considerable speculations' regarding the political motives behind the agreement. According to the US assessment, China was motivated by political factors in the propaganda competition between the democratic and the communist world first; second, the US expected that when Ceylon became over dependent on China over its rubber trade and rice imports, in the long run China would apply pressure on GOC to permit 'trade or diplomatic missions' in Ceylon (*Ibid*, p.1553). US feared that China's growing influence in Ceylon would strengthen the local communist party as well as the South Indian Communists. In addition, the US thought that China was hurrying to conclude the rubber agreement with Ceylon because it feared that US would conclude such an agreement first. US thought, since China has offered premium prices, Ceylon, "would stay bought" (*Ibid*, p. 1553). In the opinion of US ambassador in Ceylon, "GOC was arrogant and confident of its ability to handle Communists and feast bait without getting caught" (*Ibid*, p. 1553). The US diplomats read the ideological dimension of China's approach correctly, but in reality both the US and China desired the same thing,

to display their influence; the US had coerced Ceylon while China attempted to woo Ceylon with its economic offers. Ceylon wanted economic survival, which it managed to acquire despite the ideological preaching of the US that the Communists would dominate the political system of the country.

After the US's attempts failed to prevent Ceylon from signing the initial agreement with China it wanted to stop a long-term agreement-taking place. In a meeting with the Ceylonese PM, the US ambassador conveyed to him the displeasure of the US government over Ceylon's continuous shipments of rubber to China. According to him, the US Government was greatly concerned about the "danger of Ceylon's economic dependence on Communist China, particularly for food supplies, if proposed five-year agreement is made" (*Ibid*, p. 1554).

The US government urged Ceylon to consider carefully the use of the deal by Communist China to strengthen its propaganda in Ceylon and create pressure on other countries for closer trade and political relations with Peking. The US Acting Secretary of State saw that the action of Ceylon was "buttressing military efforts of aggressor (China) in Korea", where American and other UN forces were fighting (*Ibid*). In this context, US Government "earnestly" hoped that "GOC would decide after mature consideration not to enter into long term agreement with China" (*Ibid*). The US was convinced that "such long-term agreement would result in linking Ceylon's economy inextricably with that of China" (*Ibid*) US speculated that Ceylon's Chinese connection would result in weakening its democracy internally and externally.

Fight against Communism Reassured

When US insisted on the danger of the growth of Communism in the backdrop of the Ceylon's rubber deal with China, GOC tried to assure US that it would continue with its campaign against communism despite trade relations with China (*Ibid*, P.1555). Paradoxically, Ceylon further saw a long term agreement with China would provide solutions to three of the most "critical political and economic problems confronting the government" namely, "adequate rice supply, better prices for rubber and amelioration of balance of payment position" (*Ibid*). As the PM saw it, if his Government failed to make

the deal with China that would be the “surest way of GOC to play into the hands of the local communists” (*Ibid*). Ceylon had first looked into US and sent a mission there prior undertaking Chinese mission for “aid in solving” those critical problems but US had offered no solutions (*Ibid*).

Moreover, despite its trade with China, the GOC was the only country in region, which had rejected the requests of China to establish trade or diplomatic mission in the country. Ceylon also found excuse for its defiance of UN embargo since “UK was selling rubber to China and both UK and India were on large scale trade with China” (*Ibid*). On the part of the US, it requested Ceylon to consider the long-term consequences of ratifying the agreement rather than looking at the short-term gains from it. The Prime Minister insisted that if the government rejected the agreement it would cause for the collapse of his government without the support of majority (*Ibid*, p.1555).

It was clear that the GOC, in the absence of concrete assurance of economic aid from the US, was unwilling to act according to superpower’s pressure on it and went ahead with the Chinese deal, as it was the only option for saving its political power and economy. The ideological politics of the US and USSR hardly mattered in the local context of small state and it seemed that the rivalry between the two superpowers and their allies had provided much room for the lesser powers to make alliance and deals with whoever came their way with relatively advantageous political and economic offers.

Britain on Ceylon-China Rubber agreement

Britain did not commit for any “official representations to Ceylon” on rubber-rice deal with China (*FRUS, 1952-1954, XI: 2, p.1556*).⁵⁹ In a statement it said that “we have not concealed from the Ceylon Government that we do not like it”, but “no advice on ratification has been offered” (*Ibid*). The Commonwealth Relations Office spokesperson viewed Ceylon’s *arrangement* with China as a “direct result of the failure of the US to make satisfactory deal with Ceylon” (*Ibid*). At the same time, the UK was not in a position to assist Ceylon, having neither ‘rice’ nor ‘market’ to offer for its rubber (*Ibid*:

⁵⁹ Telegram No. 446E.9331/10-2952 dated October 29, 1952, from “the Ambassador in the United Kingdom (Gifford) to the Department of State”.

p.1557). Therefore, the UK opined that if Ceylon refused the pact at the UK's request, "UK would incur moral responsibility which could not be discharged" (*Ibid*). Though the UK High Commissioner's office proposed to London that Ceylon be asked to defer its decision until the Commonwealth meeting in November 1952, but it did not happen. There was fear that Ceylon's Prime Minister would not attend the Commonwealth conference if he thought that there would be pressure on him to abandon the agreement with China (*Ibid*). The US rightly thought that if the Commonwealth Conference failed to issue a public statement on the agreement, it would appear that it had also 'approved the agreement' (*Ibid*). Though the UK displayed a 'negative and defensive attitude' toward the agreement, it was well aware of the "political overtones" therein (*Ibid*). Yet, the UK was reluctant to intervene in the agreement, because it was "aware of its own vulnerability due to Malayan rubber shipments to the bloc and Britain's trade with China in non-strategic goods" (*Ibid*). It was obvious then that when the UK and the Commonwealth Office could not add pressure on Ceylon or assist Ceylon in adverse circumstances, and, therefore, the US's unilateral action was not going to work.

Ceylon Sold Out Principles

From the point of view of the US diplomats, through the Chinese deal, Ceylon had sold out its "principles for cash or prospects of cash" (*Ibid*, p.1562).⁶⁰ For them the entire process of deal making was a "disgusting demonstration" (*Ibid*). While these remarks revealed the frustration of the US diplomatic circles for not being able to stop Ceylon from making a deal with China, they also deplored the Ceylon-China rubber-rice agreement and justified the US stance for not providing aid, though other countries continued receiving US aid.

The Minister of Commerce, who pursued the China-Ceylon agreement with greater enthusiasm, stated that the Western states in general could not provide satisfactory reply to Ceylon's plea for aid. In the same manner, the Prime Minister of Ceylon also complained to Satterthwaite, the US ambassador in Ceylon, that "Ceylon had been given

⁶⁰Telegram No. 646E.93/1-853 dated January 8, 1953 sent by the "charge in Ceylon (Guffler) to the officer in charge of Economic Affairs", Office of South Asian Affairs (Fluker).

no American assistance while India was receiving huge amounts” (*Ibid*, p. 1563). The US’s position was that when GOC requested for rice, it had favourably responded previously by offering its entire stock of 7,000 tons in July 1952. Ceylon had not agreed to this fully as it complained about the free market prices were higher than what it could afford to pay. Meanwhile in the local journal of the UNP there had appeared an article under the by-name of the Prime Minister, which severely criticised the US policy of ignoring Ceylon and the US diplomats were highly concerned with his remarks.

A slashing attack on Ceylon-China pact and said it would not of course be difficult for powerful country like US to bully a small country like Ceylon, to starve her out, to ruin its rubber industry, and to establish virtual economic blockade around her vulnerable economy (*Ibid*).

Further, the article implied that the American policy toward Ceylon was duplicitous; because it wanted its own interest imposed on Ceylon only, and not that the interest of Ceylon could prevail over it;

You Ceylonese must sell your rubber to us even if it means total loss to producer and bankruptcy to your government. You Ceylonese must starve rather than buy your needed rice from China. You must starve and sell your rubber at a loss in order that the free world may be against communism (*Ibid*, P.1564).

Though PM did not accept the responsibility for the ideas expressed in the article, he said that the UNP had some responsibility of it. In fact, as the PM told the US ambassador, the Journal of the party was under the control of John Kotelawala who went on attacking even the party members (*Ibid*, p.1565). The Prime Minister, while he appreciated the US for its assistance to obtain rice from the US open market, also pointed out that the sulphur embargo on Ceylon was ‘a type of economic imperialism’ (*Ibid*). In the opinion of the US diplomat, the US government could not justify to Congress and the public the sale of sulphur to Ceylon, which was used in the rubber industry, as long as Ceylon kept exporting rubber to enemies of the US.

The press in Ceylon published anti-American articles since the publication of the Battle Act report, which had mentioned the control of ports in the free world shipping ‘strategic materials’ to China and the Soviet bloc. Since the US took action to control Ceylon’s rubber shipments to China in October 1951, the Indian Ocean experienced an increasing

number of arrivals of Soviet and satellite vessels. They had made necessary arrangements for fuelling in this area “by carrying sufficient fuel from Black Sea and by shipping fuel to Chinese ports” (*Ibid*). According to the naval attaché of US Embassy in Colombo there had been “29 Soviet and satellite ships in Indian Ocean” during the third week of January 1953 (*Ibid*). When asked whether Ceylon was re-exporting rubber from Indonesia, Malaya and Burma since those countries faced the embargo; Ceylon rejected such reports and promised the US that it would not allow other countries to export strategic materials from its ports. Ceylon’s Prime Minister regretted the trade with communist China, but Ceylon had no alternative if it were to avoid economic collapse (*Ibid*). In addition, Ceylon took the UN resolution as irrelevant or illogical for non-member countries though the US insisted that it follow the resolution.

‘US Imperialistic Course’

With the Ceylon-China rubber-rice agreement, anti-US communist propaganda rose up in Ceylon. Even the statements by the UNP and some public officials were justifying the agreement with China; hence, they created an anti-US public opinion in Ceylon, which the US viewed as not favourable for its policy in the region. Generally, a favourable feeling toward Peking had grown in Ceylon, as the public got the idea that financial and economic relations with China were beneficial for the country. On the other hand, as the US identified, “there was a growing fear in Ceylon that the United States was pursuing an imperialistic course in Asia which disregarded the rights of small nations to act in their own best interests” (*Ibid*, p.1568-9).⁶¹

The irony of this development was that the UNP came to power through a campaign against communism, but had to depend on Communist China for economic survival. John Kotelawala described the elections as a contest between democracy and authoritarianism. As he said,

We did our best to convince the voters that, if we were defeated, the political freedom we had owned would be destroyed, and the country would be exposed to a much more tyrannical

⁶¹ Telegram, No.646E, 93/4-1453, dated April 14, 1953, sent by “The Acting Secretary of State to the Embassy in Ceylon”.

domination than the old colonialism as its worst. The Marxist parties would assume power, and might destroy our religious and national traditions (*Ibid*).

Nevertheless, the US's calculations regarding the sustainability of Ceylon-China rubber agreement in the competitive environment of bipolar politics made it extremely difficult for Ceylon. Ceylon had confronted a situation of facing a superpower threat to search for assistance from Communist states. If Ceylon happened to lose China at any instance, it was going to run the risk of losing both the West and the East. As the Acting Secretary of State had viewed the situation, Ceylon had to be mindful of the developing situation regarding the position of communism and anti-US feeling in its territory. According to the Acting Secretary of US

...anti-US statements by Government of Ceylon officials receive publicity in the United States. Such statements, plus the fact of Ceylon's rubber is being used against the United States and the United Nations in actual combat, must necessarily be taken into account in considering any action that the United State might take vis a vis Ceylon should it require help (*Ibid*).

As the US thought, Ceylon succeeded in making a favourable agreement with China since many others did not sell rubber to China due to the Act and if the embargo would be lifted China would not respect the agreement (*Ibid*). Therefore, the US wanted Ceylon to take care of its local environment, which had made space for favourable attitude toward China with the involvement of Ministers such as R.G. Senanayake, Fonseka etc. As the US diplomats analysed, Ceylon had really contributed for strengthening the war machine of China by selling it rubber.

The US alleged that Ceylon was "unwilling to ease the burden of war in Korea", and if it really supported the US efforts to establish a democratic world, it needed to 'take steps' necessary toward that effort (*Ibid*). The US believed that China's trade concessions had political underpinnings and they were not going to save Ceylon from the economic crisis; but the US diplomats argued, "The alleviation of symptoms in this manner creates new dangers" (*Ibid*). Also the US referred to the behaviour of Indian officials who had not praised the accomplishments of Communism abroad while they were criticising it locally, whereas Ceylon's officials engaged themselves in the praise of communism abroad to the 'chagrin of the US'.

Contrary to the expectations of the US, the Ceylon-China rubber-rice pact had progressed smoothly. It had been very profitable for Ceylon during the financial crisis it was facing. Also as the US Embassy learned those who opposed the agreement at the initial stages now were claiming to be the authors of the agreement. Chief among them was Finance Minister J.R. Jayewardene, who was very close with the US embassy in Ceylon, who stated in Parliament on April 28, 1953 that the rubber-rice pact had stabilised the economic situation in the country (*Ibid*, p.1571-2).⁶²

US Military Requirements in Ceylon

At the same time the US applied the Battle Act provisions to coerce Ceylon's economic behaviour *vis a vis* China, it also desired military facilities from the same venue. The US wanted to acquire necessary 'military rights' from Ceylon to accommodate some proposed military requirements important for the US Air Force and for a 'heavy bomber staging base' (*Ibid*, p.1567-8).⁶³ As revealed from letters exchanged between the Assistant Secretary for International Security Affairs and the Secretary of State, the US wanted Ceylon's bases for its future military activities in the South Asian region. Somehow, the understanding that the US reached in conversation with the British was that the time was not 'propitious' for it to request such facilities as Ceylon was facing elections in mid-1952. The British Chiefs of Staff also wanted the US to inform them prior to the opening of any intergovernmental negotiations with Ceylon.

From Ceylon's side, suggestions for military relations with the US had first come up when it was negotiating the rubber deal in 1952. Oliver Goonetilleke, who led the delegation for negotiations, made suggestions for a defence agreement and offer of military bases as 'bargaining points' in the negotiation for markets for Ceylon's rubber (*Ibid*, p.1572-3).⁶⁴ The US Department of Defense sent a letter under the subject of

⁶² "Telegram no.646E.93/5-253dated May 2, 1953, from 'the Ambassador in Ceylon (Satterthwaite) to the DOS".

⁶³ "Letter no. 711.56346E/4-1453 dated April 14, 1953 sent by the Assistant Secretary of Defense for International Security Affairs (Nash) to the Secretary of State".

⁶⁴Instruction711.56346E/4-1453 dated May 28, 1953 from the Acting Secretary of State to the Ambassador in Ceylon (Satterthwaite), pp. 1572-73

“Statement of U.S. Military Requirements” dated April 14, 1953 to the State Department and “enumerated the supplies and facilities needed to make the Negombo airfield” of Ceylon “and surrounding area a U.S. staging base in time of war” (*Ibid*, p.1572). The priority items in the military requirements of the US included a ‘heavy bomber-staging base’ in Ceylon. Yet, the Department of State had come to the view that without giving the GOC “a substantial *quid pro quo*”, it would not be able to acquire military aid (*Ibid*, p.1573). The local political context favouring the opposition, constituted mainly of leftists, similarly did not provide space for the GOC to undertake a military agreement with the US since it could have strengthened opposition moves to overthrow the government (*Ibid*, p.1575).

The fact that US had not been giving economic aid to Ceylon to the degree it was giving aid to India should change if US wanted to discuss further about military aid. As Satterthwaite opined to the DOS, Ceylon should receive ‘substantial aid’ if the US wanted to win it for its military interests in the island. In his letter to DOS, he mentioned that;

If we are willing to offer both substantial economic and military (aid) and I think it is indeed possible that the Ceylon Government may, after it has survived the present financial crisis (which I think it is likely to do) be willing to consider granting us the right to construct facilities for global communications which are badly needed by our Air Force and Army (*Ibid*, p.1578).

The realization among the US diplomatic circles was that rather than attempting to establish military bases in Ceylon, which could be subjected to local resistance it should first construct global communication facilities there. On the other hand, the US supported the military position of the British. As the US viewed it, British’s legal rights for bases at Trincomalee and Negombo were quite uncertain and depended on whether the government in power in England was weak or not (*Ibid*). The US strategy developed to support the British’s military position in Ceylon and to “encourage them to take the lead in the matter” (*Ibid*). Therefore, the US wanted the British to maintain their military rights at all costs.

Rice Riots forced PM to Resign

In August 1953, Ceylon faced domestic political turmoil over the issue of rising rice prices and the reduction of the rice subsidy. The rioters created disturbances to rail and road transport while much looting and burning of buildings took place in Colombo. The government had to deploy the military to restore order and shooting incidents took place. The situation forced the PM to resign as he had lost his “guts” to take up the political challenge. Under the circumstances of domestic political turmoil, which forced Prime Minister Dudley Senanayake to resign on 12 October 1953 and Sir John Kotelawala to assign his duties, the GOC was primarily concerned with its survival in power (*also see* De Silva and Wriggins 1994:281).⁶⁵ According to Corea, the GOC always desired “to get back into step with the free world”, but economic and trade concessions it was receiving from Chinese communists in the absence of concrete assistance from the West became a barrier in that regard (*FRUS, 1952-1954, Xi: 2: P.1579*).⁶⁶ The entire diplomatic effort of the GOC toward the US was focused on attracting financial aid from the US, which could help the GOC justify the possible annulment of the agreement with the Chinese. However, the US continued its stance on the Battle Act and evaded the requests for aid from Ceylon. In turn, the GOC used the US’s inability to provide sufficient aid to counter the Chinese as an excuse to continue to expand its trade relations with China.

The US’s attempts to get Ceylon “back in step” continued in the backdrop of the second year China and Ceylon negotiations over the prices of rubber and rice (*Ibid, p.1582*). The US interest was to reduce the flow of a strategic commodity to Communist China and Ceylon’s dependence on China’s market and supply. It understood that in order to realise these interests it had to offer ‘concrete proposals’. The Secretary of the State informed the US embassy in Ceylon that the US would undertake a program for rice, rubber and technical assistance provided Ceylon adhered to the US “legal requirement, i.e., ceased

⁶⁵Dudley Senanayake resigned on October 12, 1953. http://www.pmooffice.gov.lk/profile-history.php?p_type=PM&p=3

⁶⁶“Telegram no. 846E.2317/9–1553 dated September 15, 1953, from the Acting Secretary of State to the Embassy in Ceylon”.

shipments to China” (*Ibid*, p.1582-3).⁶⁷ The tentative proposals indicated that the US could supply wheat as ‘substitute for rice up to 50,000 tons under Section 550 MSA, estimated value up to \$5 million’ under the world market price. Also the US could explore the possibility of using Section 550 US surplus commodities to get rice for Ceylon from a third country. Secondly, the US would propose to buy some amount of Ceylon rubber as stockpile but it was not very clear on this idea.

Thirdly, US would consider Ceylon for “technical and economic assistance with an approximate amount \$7.5 million” including, “(a) up to \$5 million surplus wheat (b) Technical assistance about \$450,000; (c) Economic assistance for rehabilitation or conversion of marginal rubber plantations, irrigation, agricultural extension, etc., of about \$2 million foreign exchange costs”. (*Ibid*, p.1583). These proposals display the changing nature of the US attitude toward Ceylon’s behaviour disregarding its Battle Act requirement. The US increasingly showed its understanding of the nature of Ceylon’s issue of rubber trade on the one hand and on the other it wanted to secure military rights in Ceylon, and it knew that in the absence concrete assistance it would not be able to acquire them.

Kotelawala and USA, October 1953-1956

Kotelawala was personally a vehement anti-communist and the US knew that he was useful for its campaign against communism in the Southeast Asia region. When he chaired the cabinet in the absence of Prime Minister, he refused the Chinese offer to trade coal for coconut oil on the basis that Ceylon preferred to buy Indian coal. Kotelawala wanted to abolish the rice ration and allow the private trade for import and distribution of rice (*Ibid*, p.1584). Under Kotelawala, Ceylon had failed to persuade China in its annual negotiations to increase the sale of rubber above 50 thousand metric tons (*Ibid*). There was surplus production of rubber in Ceylon and the growing environment with once again the USA getting closer to Ceylon did not encourage to commit for the entire production. Also, in another development, Ceylon found another rice supplier by entering

⁶⁷“846E.2395/9-2953: Telegram dated October 3, 1953 sent by the Secretary of State to the Embassy in Ceylon, pp. 1582-83”.

into a four-year rice agreement with Burma. Similarly, Ceylon began to receive technical assistance through 'Colombo Plan and UNTA' (*Ibid*, p.1585). In meeting with US officials of the Office of the South Asian Affairs on December 23, 1953, Oliver Goonetilleke, Minister of Finance, revealed that Prime Minister Kotelawala had refused to accept a goodwill mission from China though Chinese leader Chou-En-lai had requested one during the annual negotiations on the prices of rubber and rice (*Ibid*, p.1594-6).⁶⁸ The Ceylon cabinet had discussed this request and decided it "would rather forgo the deal than accept a mission", since Burma had guaranteed a supply of rice. This evidence testifies that under John Kotelawala's leadership, Ceylon attempted to keep China at bay in diplomatic dealings and looked towards the US for assistance in the economic and trade realms to counter and possibly abrogate Chinese dominance over its rubber trade. All in all it was clear that with the influence of USA Kotelawala was trying to deviate from China but he could not do it fully since USA did not want to buy Ceylonese rubber through bi-lateral agreement. Despite all odds, the Chinese-Ceylon agreement went ahead in its second year.

US to Relax Sulphur Embargo

The US also sought out avenues to assist Ceylon in order to delink it from the Chinese connection. The Department of State consulted its Embassies in London, Paris, Rome, and Colombo for their opinion on whether the US should continue with the trade embargo of sulphur to Ceylon, while in the backdrop the UK, France, and Italy were continuing sulphur exports to Ceylon (*Ibid*, 1586-7).⁶⁹ The US embassies in London and Ceylon opined that the continuance of the sulphur embargo had failed to achieve its objective since other states had supplied sulphur to Ceylon, but it had certainly caused a swelling in anti-US public opinion in Ceylon. Therefore, they were in favour of relaxation of the sulphur embargo. The embassy in France also said that there was "all

⁶⁸611.46E/12-2353 Memorandum of Conversation by the Director of the Office of South Asian Affairs (Kennedy) dated December 23, 1953.

⁶⁹According to the editorial note The State Department sent telegrams to embassies in UK, France, Italy and Ceylon on September 14, 1953 asking for their opinion concerning the possible relaxation of restrictions on sulphur exports to Ceylon.

likelihood” that France would permit export of black sulphur to Ceylon, and, therefore, it would be “realistic” for the US to abandon the embargo on Ceylon (*Ibid*, p.1587). The US Embassy in Rome differed from the others and expressed that relaxing of the restrictions, as per the embargo, would constitute a ‘softening’ of US attitude toward Communists on the part of its allies (*Ibid*, p.1588).⁷⁰ However, Italy also would continue the export of high priced sulphur to Ceylon if demand for the material continued to exist (*Ibid*).

Kotelawala for US Military Aid

The US had plans to provide military aid to Ceylon in the same fashion it had provided such aid to Pakistan. In South Asia, Pakistan and Ceylon were the states that posed a resistance to the Nehruvian idea of a ‘neutral bloc in Asia’. Nevertheless, when the idea for US military aid came from the US diplomats, Ceylon attempted to evade such proposals by arguing that British should maintain their strength in military bases such as Trincomalee, which they had failed to do. On the other hand, Ceylon was afraid of India’s attitude on bloc politics, which would attempt “to neutralize Ceylon in case of an eruption of war in the region” (*Ibid*, p.1595). “Ceylon had always stated that it would be on the side of the West in the event of hostilities”, but it saw the danger that neither the U.S. nor the U.K. would be “present in strength in the area” (*Ibid*).

The U.S. checked into the possibility of acquiring military rights from Ceylon and knew India’s attitude certainly could affect Ceylon’s willingness in this regard. Mainly, the U.S. wanted to obtain “rights for the establishment of communication facilities in Ceylon” (*Ibid*, p.1596). Since May 1953, U.S. embassy in Ceylon had been discussing this requirement of the U.S. Defense Department, but circumstances had prevented them from approaching the GOC with formal proposals. The U.S. also attempted to estimate

⁷⁰The list of strategic materials prohibited for Communist countries was prepared and established in 1949 by “an informal Consultative Committee made of members from the US, Canada, and several European countries” (*ibid*, p.1588). International List (IL) I included materials used for direct military purposes and banned from exportation to “Iron Curtain countries”. The list II consisted items of strategic materials and sulphur came under this list. Ceylon was not a communist country but since exported rubber, another strategic material to China, US embargoed sulphur exports to Ceylon (*Ibid*. p, 1588)

the Government of India's reactions to a U.S. request directed to Ceylon for military facilities. India's ambassador to U.S. informed the State Department on January 21, 1954 that the "Indians would react strongly and automatically against US military facilities in Ceylon" (*Ibid*). He wrote that

Indians would allege US was endeavouring to encircle India with bases; would protest that Ceylon would become prime target in an atomic war; and would intensify accusations US trying to wreck Nehru's non-alignment policy. Nehru would probably bring every pressure he could to bear on Kotelawala to reject US request and would undoubtedly instruct Congress Party and all Indian diplomatic missions abroad to agitate against it. Further charges of imperialism, colonialism, war-mongering would be made against US (*Ibid*, p.1596-7).⁷¹

The US Ambassador in India presented a realistic picture of how India would have responded if US encroached into the South Asian region seeking military facilities there. At the time when Ceylon-India were dealing with the issue of Tamil migrants to Ceylon, India would have considered this as Ceylon's attempt to counter "India's efforts to develop South Asia into "third area"", under Nehru's leadership (*Ibid*: p.1597). Moreover, the US did not want to see India record a win in case US attempts in South Asian region were to fail. Therefore, US Embassy in Ceylon did not encourage the State Department to approach GOC for military rights under the then existing circumstances.

Ceylon opposed India's "Neutral"⁷² Bloc

The GOC's major issue with India was the repatriation of Tamil migrants who were brought over by the British to the island as cheap labour as well as those who had illegally migrated to the country from time to time. Kotelawala attempted to come to a settlement over the issue with Nehru, and at times, he had thought he really could strike a deal. Nevertheless, Kotelawala as the PM of Ceylon had little desire to accept Nehru's concept of a neutral bloc in Asia. Kotelawala instead wanted to discuss methods of

⁷¹711.56346E/1-2154: Telegram by "the Ambassador in India (Allen) to the Department of State" dated January 21, 1954.

⁷²The term "neutral" has been employed mostly in US archives when referring to non-alignment which was gaining ground in this period, and I also used the same term to basically indicate the sources referred to in writing this section.

fighting Communism and the Asian Prime Ministers Conference, which he initiated, was originally thought to be such a forum by him (*Ibid*, p. 1597-8). Kotelawala's strategy was to win over the US and thereby get its financial aid to counter Chinese influence on Ceylon's economy. He used his personally preferred method of opposing Communism in public forums in a rhetorical style to please US diplomats and politicians and was quite successful in his effort.

Rhetoric of Anti-Communism

Under Kotelawala Ceylon further strengthened its anti-communist rhetorical image. The US seemed to prefer Kotelawala since he showed more obedience to them than Nehru. The official visit of Kotelawala to the US in 1954 came as result of his insistence. He desired to receive an invitation by the US and made use of the organization of South-East Asian Prime Ministers Conference to win the favour of the superpower. In discussions with the US ambassador to Ceylon, he said, "he would very much like to discuss the whole matter of communism in South East Asia with President Eisenhower" (*Ibid*, p.1598). On January 5, 1954, Ceylon sent formal written invitations to the Prime Ministers of Burma, India, Indonesia and Pakistan to attend the SEA Prime Ministers Conference in Colombo in April 1954.

In February 1954, the US again wanted to find out about the possibility of obtaining facilities for its armed forces. As the US ambassador in Ceylon reported to the State Department, negotiations for military rights with Ceylon could face resistance from the level of local politics and subject to sub-regional ire from India as well. By this time, nationalism was rising in Ceylon. Any foreign "encroachment on or derogation of its sovereignty" could put the GOC in the critical situation of losing the support of its domestic constituency (*Ibid*). As a country which became independent some six years ago, the memory of colonial domination was still fresh in the minds of the Ceylonese. As the US ambassador described the situation, Ceylon was "still obsessed with apprehensions over possible external domination", and not "only the opposition group but as well much of the majority government party is highly affected by this sensitivity" (*Ibid*, p.1599). On the other hand, there was India, closely watching its small neighbour's external behaviour. Ceylon's fear of India emanated from the suspicion that India had

intentions to “dictate to if not control” Ceylon (*Ibid*). At the same time, “Ceylon realizes it must live with India and presently has several important questions to settle with the country” (*Ibid*).

Indian Hurdle over US Military Rights

The issue over Indian immigrants in Ceylon was being discussed with India when the US approached Ceylon for military rights. The negotiations between the Prime Ministers of Ceylon and India over the issue of immigrants in Ceylon took place in January 1954. The two countries had not yet ratified the agreement reached by the two state leaders yet. In the analysis of the US ambassador, if India came to know about the negotiations between Ceylon and the US, it “would be most likely to induce the GOI not to ratify the agreement” between it and Ceylon (*Ibid*, p.1599). Previously, on the suspicion that the U.S. and Pakistan were negotiating over military assistance, Nehru had shown much resentment (*Ibid*).

Since the public opinion of the region also was not in favour of the U.S activities in Asia generally, the U.S. had second thoughts about getting Ceylon’s assistance in establishing military bases in the country. As Ceylon had embarked on an endeavour to forge a consensus among the Prime Ministers in South East Asia around this time, it was equally important India participate in the conference, which was taking place in April 1954 (*Ibid*). The Ceylon Prime Minister would also have to act tactically to prevent Nehru from stealing the show at the Conference, therefore, prior to the Conference there was no possibility that Ceylon would enter into negotiations with the U.S. over the issue of military rights. The U.S. also did not want to take any risk of losing its propaganda war in Asia against Communism at the hands of Nehru and shelved the issue of military rights temporarily, until a more opportune time came. Moreover, the US realised in such a context of domestic outburst Ceylon would find it difficult to agree to grant military rights to the US.

“Remarry England”

Ceylon’s Defence agreement with the U.K. was its most formidable assurance against foreign threats of aggression. Ceylon required its previous colonial master to commit economic and military support to it, and in this relationship, it expected that the U.S. too would assist British in Ceylon (*Ibid*, p.1601).⁷³ Goonetilleke told the US that Ceylon should “remarry” England when the U.S. hinted to him about the possibility of offering Ceylon possible military assistance. This idea of renewing the military partnership with the U.K. was how Ceylon wanted to keep the West’s alliance in facing the regional and extra regional powers attempting to influence the international political and economic realm. Goonetilleke assured the U.S. that in time of war, Ceylon would immediately join the Western bloc rather than joining Nehru’s “neutral bloc” (*Ibid*). The fact that the Ceylon-U.K. Defence Agreement was a ‘definite’ one and was not limited by a period and gave Ceylon the assurance of remaining in a permanent alliance with the West; or at least the U.N.P regime could convince the U.S. of it. The idea of defence co-operation was something Ceylon could use to legitimatise its partnership and allegiance with the West- UK and US. The US also saw the realistic dimension of creating such an attitude in public of Ceylon, since it would not be subject to public resistance there.

“Hands off Asia”⁷⁴ Policy of Nehru

Ceylon came under pressure from Nehru to become a neutral state in South Asia. Prime Minister Kotelawala used to tell the US ambassador how much he was under pressure to join India at the Conference to articulate a policy of Asia free from great power influence. The original design of Kotelawala was to use the Asian Prime Ministers conference to raise his voice against communism, but now Nehru had turned tables by attempting to convert the conference into a “hands off” Asia policy that was to be equally applied to both Communist and Capitalist blocs (*Ibid*, p.1607). Ceylon’s policy toward Indo-China was also in question in the region, and Ceylon had to stand alone, as Pakistan also would be on the side of Nehru. John Kotelawala had promised the U.S. ambassador “he would do his best to keep the conference from becoming a “tool of Nehru’s Asian ambitions”,

⁷³Oliver Goonetilleke in conversation with Henry A. Byroade in Washington focused on this point.

⁷⁴Kotelawala told US he was under pressure to join “hands off Asia” policy of Nehru, see (*Ibid*, p.1607)

and added caution that U.S. had not made his move easy as it had not bought Ceylon rubber and given aid to it (*Ibid*, p.1608-10).

U.S. Flights bound to Indo-China in Colombo

More than Kotelawala's anti-communism, but his loyalty to the US, despite the local pressure, was evident when he had to permit "U.S. planes carrying French paratroopers" to Indo-China land at Katunayake airport for refuelling. In April 24, 1954, seven Globemaster planes passed through Colombo (*Ibid*, p.1609). They had carried French paratroopers in civilian clothes. The Prime Minister had asked the press, Lake House newspapers, not to raise the issue of the airlift through Ceylon in editorials (*Ibid*). Ceylon justified its permission for U.S planes on the ground that they were also carrying civilians and hence were "passenger ships" (*Ibid*). Meanwhile, Left parties questioned the government's stance on Indo-China. Pieter Keuneman, leader of the Communist Party sent a telegram to the Prime Minister and strongly urged that the GOC should "follow the lead of the GOI and refuse air and other facilities from Ceylon to U.S. airplanes carrying troops for use against Asian peoples of Vietnam and for prolonging the colonial war" (*Ibid*). According to the newspapers, the Foreign Ministry had denied that clearance was granted by Ceylon, nor had it been asked for clearance for planes carrying troops. *Times of Ceylon* reported that; "Ceylon Government has not interfered with passage of seaborne troops destined for Indo-China and it would have been nothing extraordinary therefore to allow these troops to be airborne through Ceylon" (*Ibid*). In another report the *Ceylon Observer* tried to save the Prime Minister by putting the blame on an official of the MEA who had "acceded to the American request on his own authority" (*Ibid*). According to the paper, the US Embassy had sent a request sometime during the first week of April for permission to refuel its planes at Katunayake (Negombo) airport and the official had not seen it as a matter requiring the PM's approval. The paper further blamed the official for having "played right down the Indian line" (*Ibid*: P.1610). He had considered the matter "just a routine matter" and "showed supreme naiveté" to the seriousness of the issue (*Ibid*). The paper questioned the MEA, asking

Did official who finally issued clearance inquire why Nehru had refused to allow planes to? pass through India? Had he not heard that fall of the fortress (Dien Bien Phu) was imminent and that

Asian Prime Ministers were preparing their briefs to demand ceasefire at Colombo Conference which begins next week? Had he not read up his file on Geneva Conference which has been specially summoned to discuss Indo-China? (At) any event deed (is) now done, academics question allowing French troops pass through Ceylon, News (of) fall (of) Dien Bien Phu may come any minute and Vietnamese independence practically in bag (*Ibid*, 1610).

These newspaper reports fabricated the story of a blunder by an official at the Ministry of External Affairs in order to save the country's image in the Asian region as all the other neighbouring states had sided with Nehru's request in the matter of allowing troops of the West in their territories. Only Ceylon had defied Nehru's request, but it could not do it without keeping its head down and in a secret manner so as not to earn the ire of India. Therefore, it told a different story in public while the US Embassy telegrams revealed that the US requested of the GOC permission for an American airlift of French troops to refuel in Ceylon. The MEA had seen no harm in such a matter but had brought the issue to Prime Minister Kotelawala who had then given his permission to allow the American planes in Ceylon, contrary to the newspaper reports that the PM was not aware of the issue (*Ibid*).⁷⁵ According to J.R. Jayewardene, Minister of Agriculture, "the Cabinet backed Prime Minister's firm stand on the issue and will also back his firm anti-Communist stand at conferences" (*Ibid*: p.1608). Further, he told the US ambassador that if India moved to bring proposals to solve the Indo-China issue at the SEA Prime Ministers Conference Ceylon would not support them.

SEA PM Conference

The US Embassy in Colombo secretly learned about the agenda of the forthcoming Conference of Asian Prime Ministers in Colombo. As the US Ambassador in Colombo wrote to the Department of State, there were six major issues lined up for debate at the Conference; "A cease-fire in Indo-China, An offer to create a joint trusteeship in Indo-China by the five governments participating in the Conference, Demand for evacuation of foreign pockets in India – Portuguese and French, Efforts to ease tension between India and Pakistan, A no war pact, A motion by Burma to speed up expulsion of KMT troops from the country" (*Ibid*: p.1610). US had kept much on Ceylon to oppose ant-American

⁷⁵*ibid*, See the footnote 5, p 1610

agenda at this Conference and Kotelawala was going to be rewarded for his loyalty by Americans by inviting him for a state visit later.

Prime Minister Kotelawala told London *Observer*, according to the US Embassy reports, that he agreed with the “general idea of a conference-inspired settlement in Indo-China” (*Ibid*, p.1611). In this interview with *Observer* the Prime Minister also had “refused to commit himself on the issue of US arms aid to Pakistan”. According to the Embassy report, in PM’s view “the refusal of American aid is a form of political pressure which is hardly worthy of a great country like America” and he was on the opinion that the “UK could do more in the way of financial help for Ceylon” (*Ibid*, p.1611). Nevertheless, this statement by Ceylon Premier over US to the newspaper was not so serious according to the US ambassador in Ceylon. When he asked if there was any meaning about what Kotelawala had told the London *Observer* in an interview with Philip Deane, he told him that what he spoke should be considered meaningless (*Ibid*, p.1612-3).⁷⁶ Ceylon’s problem that it had to back US’s positions, but also had fear of India’s ire was obvious in all these actions that were undertaken to cover up its true foreign policy orientation at this stage.

Chinese Deal plus US Aid

Though the US had the intention of obtaining military rights and communications facilities in Ceylon later on, towards the last two years of the UNP regime it gave up those attempts. Ceylon’s stand on the rubber deal with China was the crux of the problem, which the US never could forgive Ceylon for doing against its will. Ceylon knew this as well and under Kotelawala it undertook many attempts to restore US-Ceylon relations to its previous glory and friendship. After all, the US Acting Secretary had partly realised the strategy of Ceylon, for him Ceylon had tried to keep the Chinese deal as well as attract US aid; so, he “anticipated Sir John’s (Prime Minister of Ceylon) line would be use his known opposition to Communist China concerned so that Ceylon could have both China deal and US aid” (*Ibid*, p.1612). Nevertheless, the US’s rational analysis that Ceylon saved both Chinese trade and US aid were not what Ceylon leaders chose,

⁷⁶746E.13/4-2654:Telegram dated April 26, 1954 from “the Ambassador in Ceylon (Crowe) to the Department of State”

but the international economic environment, US global policy and India's attitude toward the West all had contributed the developments in Ceylon alike.

The typical anti-Communist approach taken by Ceylon provided the necessary pretext to save it from coercive policies of the US. However, the US believed in letting the market decide rubber prices, and according to this belief, an upsurge of prices in the open market would attract it and cause an abrogation of the Chinese deal. Regarding the rubber deal, the US knew Ceylon would continue only as long as it received the benefits, but when market prices became more attractive, Ceylon would want to sell rubber on the open market.

Ceylon's stance on the Indo-China issue at the Prime Minister's conference became an important concern for the US Department of State (*Ibid*, p.1612-3).⁷⁷ The US Ambassador in Ceylon was optimistic that Ceylon would take the side of the US approach to settle the Indo-China issue based on Dulles-Eden communiqué, while knowing well that India had a different position over the issue. Kotelawala had prior assurance that Burma and Pakistan would not tread the Indian line in the conference on the Indo-China issue. Nevertheless, Kotelawala told the Ambassador that he feared India more than Communism (*Ibid*, p.1613).

US Invitation to Kotelawala

When the US ambassador in Ceylon conveyed to Kotelawala on 26 April 1954 that the US was willing to receive him officially, but had not yet decided the date of such a visit, he exclaimed his joy. At this news, the immensely pleased Kotelawala told him "such a trip would mean great deal to him personally and Ceylon" (*Ibid*, p.1613). This invitation was going to come at a time when Kotelawala had told the press that "he would make a treaty with the devil rather than with Reds" (*Ibid*, p.1613). Crowe, US Ambassador to Ceylon reveals about Kotelawala's desire to be with the "Western allies" when reports what Kotelawala had told Harry Toyberg-Frandzen, Danish Minister to Ceylon. Accordingly Ceylon PM was on the opinion that "if Ceylon were at the position where

⁷⁷746E.13/4-2654:Telegram dated April 26, 1954 from the Ambassador in Ceylon (Crowe) to the Department of State, p 1612-13

she had to choose between the “spiritual” nations, such as India and the “practical” nations “such as the Western allies” she would of course side with latter (*Ibid*). Kotelawala’s words imply that Ceylon lacked the power to choose its allies according to its wishes since it was not in a position to counter India’s interest.

When Kotelawala and Oliver Goonetilleke wanted to announce that Ceylon had received an invitation for an official meeting with US President, the US had still not decided on the dates. Ceylon understood that this journey to the US was not “predicated on any change of US attitude toward Ceylon’s rubber deal with China or aid possibilities” (*Ibid*). Now the US was at a point where it could not say no to Kotelawala and feared that at the end this would cause “both embarrassment and resentment” (*Ibid*). However, the GOC wanted to announce this even without the confirmation of the dates, because it thought such news could “greatly strengthen the government’s position specially since now it is under heavy fire from opposition and even some nationalistic groups on the issue of allowing the first flight of US Globemasters to fuel at Colombo while carrying French paratroopers en route to Indochina” (*Ibid*, p.1614).

Kotelawala “was trying to get rid of the Chinese rubber-rice agreement” on the eve of his visit to US. According to Kotelawala, an announcement of his visit to US and its “psychological effect” would also “strengthen his hand in this endeavour” (*Ibid*). Kotelawala and Goonetilleke attempted to convince the US that Ceylon required to have “close ties with not only the UK and Commonwealth” but also with “the US”. The US ambassador’s view, therefore, was that the “psychological effect of invitation” would also help the US to maintain “equilibrium in Ceylon’s foreign relations” (*Ibid*). Nevertheless, the US learnt that the “balance” that Ceylon attempted create in its foreign relations “was threatened at the recent Prime Ministers’ Conference here when Nehru” who “sought to form an Indian dominated bloc” (*Ibid*).

Anti-Americanism in Ceylon

On July 20, 1954, US ambassador in Ceylon sent a detailed account about the trend of “anti-Americanism in Ceylon” during this period (*Ibid*, p.1616-9). Accordingly it was “the most disturbing trends in Ceylon today... apparently among all classes of the

people” (Ibid, p. 1616). He reported “The newspapers, both European and vernacular, attack the United States on every possible issue; politicians campaign against the Colossus of the West; and there are even religious leaders and university professors who seek to make capital at the expense of our country” (*Ibid*).

Thus, public opinion in Ceylon had increasingly taken an anti-American character towards the latter part of the UNP regime’s rule. According to the US ambassador in Ceylon reasons for this ‘antagonistic’ attitude toward US were complex and divergent (*Ibid*). He speculated that Ceylon’s rubber deal with China or the US’s behaviour in the Indochina conflict could constitute some of those reasons, which inspired an anti-US attitude. Among the other reasons were “the materialistic” culture of the US and its “support for French and British colonialism” also figured in making for an-Anti-American mind-set in a people who had experienced European colonialism for long centuries on their isle (*Ibid*).

As a predominantly Buddhist-state Ceylon had an aversion toward Communism and the same feeling was cast toward “American imperialism” (*Ibid*). Communist propaganda over US imperialism that fought wars ‘on behalf of trade’ found many adherents in Ceylon. US attempts to suppress communism in ‘Guatemala, Malaya and British Guiana’ provided enough fodder for newspaper editorials to attack US policy the world over and Ceylon newspapers subscribed to the ideas explicated by London newspapers such as *Manchester Guardian*. Lack of US recognition of Red China and the government of Mao, also became a ‘sore point’ against US. Nehru’s attempt to create a neutral bloc in Southeast Asia to “repulse” possible “aggressive” behaviour by Red China or Soviet Union also had a possible influence on the opposition, nationalist and Marxist, to oppose the UNP’s policy toward the USA (*Ibid*).

SEATO and Ceylon

The collective security pact for Southeast Asia was a design of the US and its Western allies (SarDesai 1968).⁷⁸ It provided the weak states in Asia a real test for proving their

⁷⁸SarDesai (1968) points out that “India considered” SEATO “to be directed against her policy of extensions of an area of peace and nonalignment in South and Southeast Asia” (p. 58). Also Nehru had

policy of non-alignment. Ceylon faced the dilemma of joining the alliance under the conditions of emerging regional political consensus of Colombo Powers, an initiative Ceylon had taken to forge regional unity in Southeast Asia. The press, parliament, and public opinion also acted against the GOC's move to joining any alliance with the US. More than that, the majority decision of the Colombo Powers had tied the hands of the government. Therefore, the US ambassador in Ceylon could not convince the US that 'Ceylon's government would immediately join' SEATO. As Crowe, Ceylon's U.S. ambassador viewed it, "Ceylon's decision depended on the result of the consultation with the Colombo Powers and its majority opinion and strong diplomatic persuasion coupled with a heavy informational campaign" (*Ibid*, p.1620). The US thought initially that the GOC would adopt "a neutral" attitude toward the pact rather than standing with the West. The left and opposition had locally campaigned against the U.S. and Western intervention in the "peace area" of Southeast Asia. The popular feeling created by such local elements could deter the GOC from allowing its 'territory to be used for any transit of defence troops and material by air mostly' (*Ibid*).

From the West, diplomatic efforts took place to get Ceylon to sign the SEATO pact. The Parliamentary Secretary of United Kingdom Ministry of Foreign Affairs, Dodds-Parker visited Ceylon with this purpose. In the opinion of Corea, Ceylon's ambassador in the US, Dodds-Parkker's attempt was "ill-timed and not convincing". It was a low-level diplomatic persuasion in dealing with a matter of such magnitude for Ceylon. Therefore, Ceylon's decision was likely to become unfavourable to the West, though Prime Minister Kotelawala was personally for SEATO and it was he who insisted "on leaving the door open against the possibility of joining the pact in the future" (*Ibid*, p.1620-1).⁷⁹

The developments in the regional sphere of politics had a greater influence on Ceylon to refuse the pact. The Colombo Powers were not willing to isolate China in the Asian region. Most of them were taking initiatives to include China in a non-aligned pact and

"abhorred" military alliances among hugely unequal powers ('giant and pygmy') since that would cause loss of "integrity, sovereignty and independence" of the small (*ibid*).

⁷⁹790.5/9-954 Report of Conversation on September 9, 1954 between "Sir Claude Corea, High Commissioner of Ceylon to the United Kingdom, and Ambassador Crowe".

India was mainly for such a non-military alliance in the region. In India's case, it was working out some form of non-aggression agreement with China during Nehru's visit to China in October 1954. The Burmese government was also taking the similar line like that of India. Indonesia made efforts to assemble an Afro-Asian conference including China. In this scenario, Ceylon could decide on its own to join a military alliance, which could expand the theatre of war further toward Southeast Asia. In the US ambassador's opinion, "Ceylon may be irresistibly pulled further away from South Asian defense concept" (*Ibid*, p.1621-2).⁸⁰ If Ceylon was to be attracted toward the SEATO (Manila pact), it was for the "economic benefit" it could derive from it. Nevertheless, if the Battle Act further acted as a hurdle for Ceylon in getting economic aid, it was not going to join the pact. Therefore, the US embassy in Colombo inquired the Department of State that whether the U.S. considered Ceylon's joining of SEATO important, and if it had, it would have to reappraise its aid policy toward Ceylon.

Kotelawala's "Goodwill Tour"

When the Ceylon-China rubber-rice agreement entered its fourth year's negotiation over the prices of commodities for 1955, Ceylon's Prime Minister was undertaking his trip to the USA. The U.S. had no assurances that Ceylon would end the rubber deal even then. Prime Minister Kotelawala had designed his journey as a world tour. His tour had two major objectives; to reappraise US-Ceylon relations and to establish Ceylon's position in world affairs, particularly regarding the South and Southeast Asia. On November 10, 1954, Ceylon Prime Minister stated that the purpose of his world tour was "good will". He was going to visit the world powers with an "open mind" (*Ibid*, p.1624). He "did not intend to enter into secret discussions or parlays" (*Ibid*). He said Ceylon was not a recipient of American aid and he did not therefore have to go to America with "either hat in hand or with accounts to square" (*Ibid*).⁸¹ Further, the Premier would hold discussions over a "variety of subjects" but made it known to the public that he would "not enter into

⁸⁰396.1 MA/9-1554: Telegram dated September 15, 1954 by the Ambassador in Ceylon (Crowe) to the Department of State.

⁸¹033.46E00/11-1254: Telegram dated November 12, 1954 by the Charge in Ceylon (Espy) to the Department of State.

definite commitments” (*Ibid*). The opposition parties attacked, saying that Ceylon was going to become a member of SEATO, and argued that it should not side with any bloc. The press highlighted that the PM’s visit was expected to receive aid under “Colombo Plan” without conditions attached to them and despite prohibitions under “the Battle Act” (*Ibid*, p. 1625).

The world tour of Ceylon’s PM included visits to London, Washington, Tokyo, and Manila; and following this tour, a series of international conferences would take place. The Colombo Powers were scheduled to meet next in ‘Jakarta towards the end of December 1954; a Commonwealth meeting was taking place in end of January 1955 in London. An Afro-Asian Conference was also scheduled for early 1955. Therefore, the PM’s long tour expected to receive information and impressions that could influence Ceylon’s position over various international issues including Manila Pact, relations with Communist China, colonialism and economic cooperation (*Ibid*). The US wanted Ceylon to play an active role in its policy of containing communism in South Asia, which it did with virulent passion (*Ibid*).⁸² Ceylon’s engagement with China in the trade and economic spheres did not oblige it to stop anti-communist politics locally. Ceylon under Kotelawala played a role during this period in parallel to the ideological politics of the West in containing spread of Communism. It was a major ally of the West in South Asia along with Pakistan.

On the other hand, India had its own strategy for maintaining its sovereignty but small states like Ceylon needed the good will of major powers to withhold regional political pressure and economic and political constraints on an international scale. Ceylon seemed to have played a dual game whereas its economic policy was concerned, but its politics can only be interpreted as Western-oriented liberalism and anti-communism. Realistically, Ceylon exploited the existing conditions of bipolarity to its own benefit, but it was not willingly involved with communist powers even in trade matters. Mostly, Ceylon had to leave its political ideology behind to recover from the economic depression it faced from the treachery of the market economy. In that case it preferred

⁸²The UNP suppressed the Communist movement in Ceylon, banned literature and publications and mostly the leaders lived underground until the next Government came to power in 1956.

state to state direct trade based on treaty agreements and did not like to allow market mechanism to decide on its primary raw material exports. In the short run Ceylon benefited by this trade, but it became more and more dependent on political and economic conditions which decide on the trade of such products in the world economy.

Until the end of the tenure of the UNP regime in 1956, the US could not change its economic and aid policy toward Ceylon to the satisfaction of the government. Many times, US ambassadors in Ceylon inquired of the State Department whether it was ready to forgive Ceylon for its breach of Battle Act and treat it favourably in order to ensure that Ceylon would continue playing its anti-communist role in the regional sphere, but without much success. On the verge of Kotelawala's state visit to US, Ceylon's US ambassador raised the following points with the State Department.

1. US economic policy- whether US was ready to grant exceptions to Ceylon regarding the Battle Act requirements and start bilateral arrangements or use the Colombo Plan to aid Ceylon,
2. SEATO Membership- how far or whether US wanted to exert pressure on Ceylon to join SEATO, as the economic character of the organization was the only attraction for Ceylon. India's position as a non-member had implications for Ceylon's position,
3. Relations with Communist China – China's inclusion in the Afro-Asian conference and Nehru's neutralism expected to be countered by Ceylon and Pakistan within the Colombo Powers (*Ibid*).

Whether the US could play a proactive role on the above issues was question. How South Asian and Southeast Asian States responded to US strategy partly depended on how India, the Communist bloc and China could prevail over them.

The US Defense Department had expected military facilities ever since Ceylon received independence. Formal state level negotiations did not take place for long, and Kotelawala's visit to U.S in December 1954 had provided an instance for the State Department to raise its concerns over military requirements. By this time, the U.S. had mostly wanted to establish communication facilities for "the Army, Navy and, possibly, for the Air Force" (*Ibid*, 1626-31).⁸³ The US waited until the "circumstances turned propitious for it" to deal with this issue, but knew that "until Ceylon is (was) prepared to

⁸³035.46E11/12-254: Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State, Subject: Talk with Ceylonese Prime Minister, Sir John Kotelawala, dated December 2, 1954, p 1626-31

adhere to the Manila Pact”, U.S. would not be able to receive Ceylon’s favour for “American bases in Ceylon” (*Ibid*). The U.S. thought Ceylon would ‘eventually join’ the Manila Pact, but also did not desire that adherence to the pact lead to the dismissal of Kotelawala as Prime Minister. For Ceylon, economic cooperation through the Pact was important. Since public opinion in Ceylon was not in favour of this Pact, the GOC further wanted, in order to ‘hold out to the public opinion’ and then join the Pact, “substantial economic benefits in the form of foreign aid and an assured alternative market for rubber” (*Ibid*). Kotelawala’s negotiations with U.S. State Department dealt with these issues while India’s opposition to Manila Pact also became a concern for Ceylon.

Kotelawala met the U.S. President on December 06, 1954. He had expressed his desire to talk about Communism with the U.S. President. The State Department for its part was ‘studying the possibility of offering Ceylon a modest amount of aid’ provided Ceylon would act in conformity with the Battle Act. Kotelawala had conceived of the idea of having periodic meetings of the Colombo Powers, where he would play an influencing role on the issue of communism. The U.S. preferred to see this behaviour of Ceylon’s leader further expand to other forums such as the Afro-Asian Conference taking place in Jakarta.

Ceylon’s strategic importance was visible in the incidence of U.S. airlifting of French paratroopers to Indochina, when India had refused the use of Indian facilities for that operation. Though the U.S. wanted Ceylon to provide military rights for a long time, the nature of such requirements changed from time to time – from heavy bomber bases to communication facilities. By December 01, 1954, the U.S. had wanted to establish communication facilities for its three forces in Ceylon (*Ibid*, p.1629).⁸⁴ In January 1949, the U.S. Ambassador in Ceylon had initiated formal discussions with the then-Ceylonese Prime Minister, D.S. Senanayake, for the establishment of a U.S. Navy communication facility in Ceylon comprising of one officer and twelve men. The Prime Minister had not responded directly to this request and proposed that he would further communicate with

⁸⁴ ‘Table C’ attached to Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State, Subject: United States Military Facilities in Ceylon, dated December 1, 1954.

the U.K. regarding the matter for clarifications of the Defence Agreement of 1947; eventually Ceylon evaded the U.S. request. The U.K. also attempted to draw up “a more detailed defense agreement”, but its negotiations with the GOC never could draw to a conclusion (*Ibid*). Since the U.K. had failed on its part to amend the already existing defence agreement into a detailed one, U.S. was not positive that it would be able to convince Ceylon to grant military rights very easily. Further, Ceylon’s behaviour depended much on the Commonwealth, and its ties with the UK were much closer than those with the U.S. Nevertheless, in 1949, the US obtained “on a secret basis and without the use of US navy personnel on shore, permission from the GOC for the lease of oil storage facilities of the British Navy in Ceylon” (*Ibid*). This secret agreement made it very clear how the UNP wanted the US to be in closer alliance with Ceylon during this period despite all the failure of trade diplomacy with the super power.

The State Department had often queried Ceylon’s Prime Ministers regarding ‘favourable negotiations for Defense facilities. The response from the GOC had been ‘unfavourable’, and U.S. viewed that without “a substantial *quid pro quo*” it would not be able to improve relations with Ceylon (*Ibid*, p.1631). According to the analysis of the State Department on why U.S. failed to obtain the following reasons have come into the prominence in its communications to the Diplomatic circles. Following are the summary of highlighted points of Ceylon’s situation which was to determine the nature of cooperation that the two asymmetrical powers were going to build up during the latter part of the 1950s.

1. Ceylon had already acquired its military defence through an agreement with the UK
2. Ceylon since 1951 had wanted U.S. to avail it with substantial economic aid, but US had stopped aid since then due to Ceylon’s rubber trade with China
3. Ceylon’s public opinion wanted the government to refrain from entering the great powers’ cold war or “possible hot wars’ by aligning with them. The US was more identified with the cold war than the UK
4. Ceylon feared an eventual domination by India, in order to balance, it had a general respect for India and feared that close relations US with cause difficulties in solving the migrant Indian issue favourably.
5. Ceylon considered that if it were involved in a military engagement with the U.S. it would end the financially lucrative trade in rubber with China. “Ceylon is loath to give up this trade unless it receives comparable financial benefits.” (*Ibid*, pp.1630-1)

In his meeting with the Secretary of State, Ceylon's Prime Minister referred to his "apprehensions regarding India", and agreed that "communism was a primary danger in Asia' (*Ibid*, p.1631). The emphasis of Ceylon-US Relations was on economics at all times. Yet, bi-polarity had given space for Ceylon to explore economic relations with the Communist bloc since its trust in open market trade was at a very low level. Therefore, securing bi-lateral trade agreements was seen as the major drive among the political elite to deal with China. The Ceylon-US relations during the first phase of Ceylon's independence depended much on diplomatic interpretations of the political development in Ceylon and its relations with China and India in particular. However, this phase of relations kept US engaged relentlessly with Ceylon through the DOS and gave the message to the US administration that Ceylon has to be considered a significant link in its relations with South Asia, particularly when India was building a 'neutral bloc'. Moreover, Ceylon's polity as a western-oriented democracy was attracted to the superpower and hence it did not want Ceylon to change its political character throughout. In the next section the chapter will further look into China-Ceylon's economic dealings after the 1952, during the economic recession and embargo on rubber trade.

Section 4: China in Ceylon: Economic Security

Sino-Ceylon relations, during the period of 1948-1956, had taken a distinctive character of trade relations sans diplomatic and political relations, or at least that was the nature of relations Ceylon wanted the West to recognize in its foreign policy toward one of their ideological arch-rivals. The starting point of trade relations is the signing of the rice-rubber agreement between China and Ceylon in 1952, during Dudley Senanayake's premiership in Ceylon. The UNP government took the decision of opening up trade, and only trade relations, with China out of compulsion due to the decline the domestic exports faced in the face of sinking prices for its major exports items in the world market. Ceylon extended its recognition of China on January 6, 1950, the same day when Britain also recognized it. According to critics, Ceylon had followed the foot-steps of Britain in this act of recognizing China. "In deciding to recognize the Communist Government in China, Ceylon has merely fallen in line with Britain"(*The Sunday Times* (London) January 7, 1950). As the Prime Minister clarified, the act of recognizing China by Ceylon

could not be tantamount to any lenience in Ceylon's policy toward communism. Addressing the House of Representatives he told

It is not that we have any love for the Chinese Government or anything that sort. We had no partiality in the matter as an existing Government. As far as they are concerned, they can have any form of government they like and it is not for us to interfere. We do not adopt the Russian method of penetration into other countries and disturbing the good relations that exist in those countries and trying by force or by insidious methods to bring trouble to those countries(*HRD*, vol. 8.Op.cit., July 1950, col. 48 cited in Gajameragedara 2011: 325).

It is clear that Ceylon's view point on China depended on how the West reacted to China's presence in the international scenario. In the instance of the Japanese Peace Treaty Ceylon disregarded China's participation (*Ibid*). The Prime Minister said that "if it suits us we take them, if it does not suit us we ignore them" (*Ibid*). Also Ceylon's Premier reiterated that recognition once offered would not be valid for long and be contingent upon the attitude of China toward Ceylon in issues to come up. As he told, "...recognition does not mean that we are going to recognize them for all time. It depends on the attitude they adopt towards us" (*Ibid*). Until 1952, Government level relations with China were delayed in this way, and it was the 'rice-rubber' deal which finally cemented Sino-Ceylon relations, though it started in a backdrop of much international political turmoil and pressure on the part of Ceylon, much of which we have discussed above under Ceylon-US relations already.

GOC Attitude toward China

The attitude of the UNP regime towards Communist powers was a favourable one for the West. The UNP had shown its vehement opposition to communist propaganda; it had restricted Communist activism locally and was watchful of such infiltration from the USSR. Nevertheless, Ceylon had somewhat different position distinct from that of the West toward the USSR. When several leaders had expressed that they 'had no sympathy for Russia', they had a softer heart toward China. One such leader said in his address to the House of Representatives at the Throne Speech that he was quite sure that Ceylon had a great deal of sympathy and goodwill for China (Gajameragedara 2011: 323). Another powerful figure in the cabinet who had a very intimate relationship with the US embassy

said “in regard to China our attitude is completely different (from our attitude towards Russia. We have, as it must be, the great sympathy of a small Eastern Nation towards another Asian nation struggling to find a solution to her difficulties” (*Hansard* (Senate) vol.5 June 26, 1951, col. 100, cited in *Ibid*). Even the most vociferous anti-communist voice of Ceylon, John Kotelawala did not accept the allegation that China was a growing menace to peace. Asked by *The Observer* on the issue of China, the Prime Minister said

we have no reason to consider Red China a growing menace to peace in South-East Asia. We have to observe its actions before we can come to such a conclusion. China has its own trouble, and so long as it keeps its Redness to itself and does not seek to impose it on others, there would be little justification to consider it a menace (*The Observer* (London) September 12, 1954, in Gajameragedara 2011: 324).

Ceylon’s political elite with a traditional bias towards the West moved to China for economic defence after 1952, and diplomatic relation with was delayed until after 1956. Chinese ideological orientation was seen as the major obstacle to link with the regional power, but the UNP regimes always looked for China for economic cooperation. The rice-rubber pact is the best example in this regard.

Ceylon-China Rice and Rubber Agreement

A change in Ceylon’s attitude towards communist countries could be observed in the agreement it entered into with the People’s Republic of China to barter rubber for rice, an essential commodity, the shortage in supply of which could turn the local power balance against the ruling regime. The famous Rubber-Rice pact with China was entered into when Ceylon had lost its hopes in securing markets in the USA and Europe for its rubber production. Though the UNP regime was devoutly liberal and pro-Western in its external policy orientation, the Rubber-Rice pact proved that it could not be so naive to fail to see that the regime power could be jeopardised were public opinion to go against it once the national interest was ignored for ideological sentimentalities. On the other hand, as Mendis (1992) points out the Rice-Rubber pact “dispelled the notion that there was a perception of a security threat to Sri Lanka from China as a rising Communist power” (p.49).

D.S. Senanayake's tenure in the Office of Prime Minister from 1948-1952 did not see any positive development toward making relations with the Communist bloc. The rise of Dudley Senanayake to the Prime Ministerial position in succession of D.S. Senanayake, his father who met a tragic death, took place in the context of economic hardship for Ceylon as its export earnings in dollar terms were fast decreasing. The end of the Korean War had drastically lowered the international market prices of natural Rubber and the industry was facing its collapse if the Government was not ready to take action. On the other hand, Ceylon's Western allies and the US could not offer prices for Ceylon beyond the market rates and this made Ceylon look to discover the hitherto unexplored markets of the Communist bloc, particularly China because the Chinese were facing embargos from the UN and the US on strategic imports to its territory. Ceylon as a consumer of rice also faced soaring prices of an essential commodity sending the government in power warning signals of possible unrest from the economically poorer sections of the society, which constituted the majority on whose shoulders the government held its power. Ceylon's attempts to move the US to sell it rice at lower prices and buy its rubber at higher prices had failed owing to the US's position that the small state should adhere to the market norms rather than attempting bilateral deals favouring its demands. Of course, the US had allowed Ceylon to buy a certain quantity of rice at a reasonable price only once but it did not go on to continue to do so and instead asked Ceylon to buy rice at soaring prices in the US market.

In this context of changing attitudes from the US toward Ceylon's request to save its economy and local power base, the Prime Minister stated that Ceylon would not "align with one bloc or the other blindly and regardless of interest of our people". This statement by the Prime Minister to the House of Representatives signalled possible pre-emptive actions the government would consider for saving the local economy in the name of 'national interests'. Also in the rational calculations of Ceylon, as it was not a member of the UN by this period and the economic embargoes imposed by the international body under the Battle Act would not be applied on it; on the other hand, since India, Burma and Indonesia were not barred by the US from trading with Communist bloc, Ceylon would have wanted a similar opportunity.

In this scenario, the signing of the Trade Agreement between Ceylon and the People’s Republic of China on 04 October 1952 was a significant departure in its policy toward the Communist bloc. The Agreement in its opening line stated that the two parties “...desire to promote and enlarge to the greatest possible extent commerce and trade between the two countries” (Jayawardane 2005: 163). The Agreement consisted of six articles and two schedules and was initially valid for a period of one year with possible future extensions of the period as desired by the two governments. According to the Agreement the annual volume of trade between the two countries was expected to be approximately 250 million Ceylon Rupees (ibid). This initial agreement did not mention the trade of rubber and said ‘the quantities in respect of rubber and rice will form the subject matter of special proposals’. As per the Schedule A and B of the Agreement (see Tables 1 and 2) several other materials were to be traded between the two countries. The agreement in fact showed that without any detail about the rice-rubber deal, it provided ample opportunity for the two states to explore export possibilities available for each other.

Table 2: 2 Schedule A of the Trade Agreement between Ceylon and China, 1952

List of commodities Exportable from China to Ceylon

Commodity	Quantity (metric tons)
Rice	N/A
Green peace	5000
Wheat flour	10,000
Green Beans (large)	1,000
Dry Ginger	50
Preserved foods (dry foods and canned foods)	N/A
Porcelain wares	N/A

Coal	300,000
Garlic	500
Sesame seeds	1,000
Sulphur	2,000
Newsprints	10,000
Papers, miscellaneous	
Tobacco leaf	500
Resins	500
Cotton piece good and cotton goods	N/A
Silk piece goods and silk goods	N/A
Glass and glass ware	N/A
Toys	N/A
Torch lights	N/A
Dry cells and batteries	N/A
Thermo flasks	N/A
Carpets	N/A
Floor tiles	N/A

Source: Jayawardane 2005: 164

Table 2:3 Schedule B of the Trade Agreement between Ceylon and China, 1952: List of commodities exportable from Ceylon to China

Commodity	Quantity
Rubber	N/A
Coconut oil	10,000
Cocoa	1000
Cloves	N/A
Mace	N/A
Cardamoms	30
Cow and buffalo skins and hides	750
Pepper	N/A
Beche-de-mer	20
Arecanuts	50
Citronella oil	N/A
Cinnamon leaf oil	60
Coir yarns	N/A

Source: Jayawardane 2005: 165

The Ceylon Government clarified why it came to a trade agreement with China and it reasoned mainly that Ceylon's stock of rice was dwindling and it had failed "in spite of the Commerce Minister's visit to London and Washington for this purpose to procure all the rice that was immediately necessary" (Jayawardane 2005:166). Also he pointed out the economic hardships the country was facing "since the dollar earning for Ceylon had been dwindling consequent on the withdrawal of American buying", further, "and the purchases of American rice at high prices almost wiped out our dollar balances" (*Ibid*). According to the Commerce Minister of Ceylon in this context the government proceeded "to China to explore, firstly, the possibility of obtaining sufficient rice from China to meet Ceylon's immediate requirements to maintain the ration; and, secondly, to explore the possibilities of expanding trade between the two countries" (*Ibid*). While the Ceylon government entered into the general trade agreement with China "covering a wide range of commodities" (above tables 1 and 2) it was considering bartering of "proposals for

rubber and rice” (*Ibid*). As the Minister’s statement shows, the government was fully aware of the political consequences of the agreement with Communist china. The Commerce Minister also explained the significance of China for trade.

it would be unrealistic to ignore a nation of 500,000,000 in our own continent of Asia, with a united and cohesive Government for the first time in many centuries. She is bound to be a major factor in world trade; and as I indicated in the course of certain observations during the Budget Debate, I foresee the ingredients of a minor boom once China enters into international trade in a big way (.

Ceylon’s new market was to counter the monopoly of capitalist bloc:

“Already the announcement of the Trade Agreement with China has stimulated both the rubber and the coconut markets. It is reasonable to envisage that the emergence of a new buyer of the proportions such as China, will materially counter the monopolistic buying operations, international raw material allocations, destinational controls, etc. which contribute so much in the depression of prices of raw materials which we produce” .

Referring to the context of international politics, the minister pointed out ‘it (Ceylon) had found a powerful buyer’:

“In any case why talk only of war when the more immediate prospect is that of peace. If there is peace in Korea there is every prospect of commodity prices slumping. Ceylon would then be in the happy position of having secured a stable commodity market and established a cordial relationship with a very powerful buyer”.

Prime Minister Dudley Senanayake made a statement on the General Trade Agreement between Ceylon and China on 14 November 1952 in the run up to the signing of the Rice-Rubber deal with China in another month’s time. He summarised the major achievements of the Trade Mission sent to China which include

(1) A short-term contract for the delivery by the Government of China to Ceylon of 80,000 metric tons of rice between October 1952, and January 1953, at a price of Rs. 720 (£54) per metric ton f.o.b. China Ports. (2) A long-term trade Agreement between the two Governments under which the two Governments agreed to facilitate trade in certain commodities not including rubber and rice. (3) Certain proposals regarding the supply of rice to Ceylon by the Government of China and the purchase by them of rubber in this country. The Government of China was prepared to agree to sell 200,000 metric tons of rice a year for a period of five years, the price being settled between the two Governments for one year at a time immediately before the commencement of that year.

The price suggested for that year is £56 per ton f.o.b. China ports. This price is open to negotiations (2005:166).

The Prime Minister's statement came when the five year Rubber-Rice agreement was in the making and revealed that Once the Rice-Rubber deal was sealed the supply of rice would be a matter of shipments from China to Ceylon.

Just three months after signing the General Trade Agreement with China, Ceylon entered into its historic five-year agreement on Rice-Rubber Trade with China on 18 December 1952. The agreement kept room for revision of prices of both the commodities with the concurrence of two governments. Further the agreement provided that the terms of the implementation of the agreement would be negotiated annually by the two governments. The trade relations opened for several other dimensions of financial relations between the two countries required by the agreement. The Bank of Ceylon and the Bank of China were assigned to maintain the accounts of the export trade between the two countries.

Prime Minister Kotelawala was countering a stigma that the West developed towards Ceylon for its trading with Communist China. He elaborated that Ceylon abhorred communism and that its trade relations did not amount to any political dealings with China.

This Agreement with China was quite foreign to the traditional pattern of our trade, which, as you perhaps know, is confined almost entirely to the countries of the Commonwealth, your own country, and a few countries in Western Europe. The mistake that has been made, however, in America as well as elsewhere, is to think that our Agreement with China is indicative of our political thinking; that we are either pro-Communist or are particularly receptive to Communist teachings. Nothing can be further from the truth. In the first, place, Communism and its totalitarian methods are diametrically opposed to the religious and moral outlook of our people and they have no attractions for them (*Ibid*).

I decided, however, to agree to the inclusion of this item in the communiqué only for the reason that the admission of China's representative to the United Nations in place of the representative from Formosa would be nothing more than the recognition of a fact – the fact that the communist regime in China controls the whole of the mainland of China and is the established Government of that country (*HRD*: 17, 1954, Col. 524).

In protecting its economic interests with the Communist states and against the West, Ceylon tried to play safe during the period 1951-56. However, the USA immediately stopped its aid programs to Ceylon when “the first major shipment of Ceylonese rubber to Communist China”, using the Polish vessel *Mickiewikce*, took place in early October 1951 (p.1499). As the Charge in Ceylon reported to the US State Department on 08 January 1952, the Prime Minister of Ceylon was concerned about the reduction in US purchases of Ceylon rubber. The US interpreted Ceylon’s rubber trade with China as a violation of “both the U.S. and UN embargo of strategic goods to China, undertaken as a Korean War measure....The US Government shortly thereafter terminated all aid to Ceylon in compliance with the Battle Act.”⁸⁵

Section 5: Middle Way and Regionalism

Though Ceylon was not a member of the UN until 1955, its international stature grew with its participation in and contribution for organizing some regional and international forums. Ceylon’s role in promoting Asian-African regionalism is quite noteworthy in this period. Ceylonese Prime Minister, Sir John Kotelawala, initiated Colombo Power Conference in April 1954 with five countries participating. Also, Ceylon was a convenor of the Bandung Conference held in Bandung from 18th to 24th April 1955. The Conference saw the participation of 29 countries, mostly represented by the Prime Ministers of the respective states. The issues that were dealt with during the conference included cooperation among the Afro-Asian nations in economic and cultural issues as well as human rights, self-determination and the problem of dependent people.⁸⁶ A key point that rallied everyone regarding these matters was Western colonialism in Asian and African regions. Ceylon’s interpretation of colonialism in the words of its Prime Minister was quite contrary to how the conference participants viewed of it, particularly China and India, the key players in the region. Thus Prime Minister Kotelawala’s presentation in the Bandung Conference of 1955 became quite a controversial matter in the regional sphere while the West- USA, UK and other ‘free’ nations saw their voices in his fiery speech against Communism. Nevertheless, Ceylon contributed to the idea of the third

⁸⁵ Battle Act

⁸⁶ Final Communiqué of the Asian-African conference of Bandung (24 April 1955).

world solidarity on international issues, though during this era its external policy had a clear bias towards one bloc of states, the West. Dash (2008) in *Regionalism in South Asia: Negotiating Cooperation, Institutional Structures* explains that Nehru's influence drew Ceylon toward discussing regional political and security issues and otherwise its foreign policy was influenced by the UK as per the external affairs agreement. I will discuss key themes and events that contributed to constitute a different dimension of Ceylon's foreign relations apart from its approach oriented toward major powers. The discussion begins with Ceylon's understanding and practice of the concept of 'neutrality' or middle way (middle path) during this era of bi-polarity.

The Middle-way

The initial years after independence were marked by Ceylon's allegiance to the west and its anti-communist stance in international politics (Wilson 1990). The first Prime Minister of Ceylon identified himself as a follower of "the middle-way" (Wilson 1979: 245). More than a political philosophy, the idea of the middle way for Sinhalese leaders in Ceylon gave 'Buddhist religious connotations'⁸⁷ (De Silva 1993:9-11). Maintaining neutrality in dealing with the two rival ideological camps led the small and third world states to discover a middle ground, which evolved into a philosophy called non-alignment leading into the Nonaligned Movement in the sixties (NAM). Ceylon's leadership attempted to project the state as follower of none of two 'extremisms', but a middle way which is hard to define. In a speech delivered over *BBC* London, the first Prime Minister defined the existing world political reality along the following lines.

The present world situation is rooted in the old, old play of power politics - a system which the nations of the world fought two world wars to immunise, and apparently in vain. ...International peace was necessary not for the greater happiness of humanity, but to impose their own domination of the world, and it was maintained by a balance of power among themselves. ...The

⁸⁷Buddhist philosophy of *Madyama prathipadawa* or *mandum piliwetha* (practice of middle way) could closely be associated with the meaning that the Sinhala-Buddhist elite leadership proposed for neutrality or middle path (way). Nevertheless in-depth research needs to be carried out to make any conclusion of this hypothesis.

United Nations Organisation has now become an arena for power manoeuvres. (Jayawardane, 2005)⁸⁸.

Senanayake referred to middle way in in the same speech delivered at *BBC*. He told “the middle way and in which the rule of the moral law founded on a firm faith in the “one-ness” of human life would hold sway, where “power-politics” or “power-economics” would not find place in the conduct of international affairs” (Jayawardane 2005: 4). The major idea expressed here is about power and politics and the fear of small states in world of competing ideological struggle was clearly depicted by his words. The middle way therefore acted as a shield to resist power by powerless, the small or the weak.

In answering the issues of power-politics, peace and prejudice of international organizations, the small states in particular had to follow ‘the middle way’. If they were identified as a member of a certain bloc it would affect their survival. Third Prime Minister Kotelawala speaking in an international radio broadcast in Tokyo provided the following ideas which focus on two dimensional view of international political reality that is struggle for power and the struggle for peace.

We in the East, throughout long periods of struggle towards the light, have learned the bitter lessons of suspicion and fear, of greed and aggrandizement, of lust for power and exploitation of the weak, and we are convinced that only through clearer knowledge of the fundamental spiritual values of existence can international understanding be reached (Jayawardane 2005: 96).

Kotelawala who was an anti-communist refused the idea of bloc politics very often, but he preferred the capitalist camp, anyway, and was trusted by the USA mostly. Nevertheless, his middle path ideology resisted the bloc politics.

I do not believe in blocs and to my mind most of the international tensions that prevail today are due to the existence of two rival power blocs, which are mutually afraid and suspicious of each other. History has repeatedly shown that power blocs only endanger peace, for they give rise to counter blocs and provoke counter measures, which inevitably leads to a trial of strength and in an armed clash. (Kotelawala 1954: 47-48).

⁸⁸Prime Minister D.S. Senanayake’s “Middle Way” Speech Delivered over B.B.C., London in Jayawardane (2005:1-4).

Further, non-alignment was seen by Ceylon as a strategy for 'peace' and 'development', though in reality the country was badly in need of economic aid from the great powers. As we also saw in the section on Ceylon-US relations, there was discernible strategy of Ceylon to maintain economic advantage from all the powers despite their ideological orientations. Kotelawala was strategically tactically and simultaneously trading with China. His middle way preferred the West but more expected "economic assistance" as we saw in the discussion above on Ceylon- US relations. However, as a small state lacking capacity to balance the major power interests the small state had only a normative weapon which was called the principles of middle way. Middle way politics as Rothstein (1977) clearly put in relation to third world non-alignment was something to do with alignment rather than being non-aligned at all. Alignment with one power anyway was no obstacle for shifting allegiance to the other, since the declared policy allowed the states to do so.

Strategically, small states had to play defensively in the international system and desired for a conflict free world. Kotelawala stated in 1954 that "...we want peace... to enable us to bring ourselves into line with the more prosperous countries of the world, after centuries of exploitation at foreign hands" (Jayawardane 2005:3). Ceylon's middle path aimed at avoiding conflicts and making gains from international cooperation and thus achieving the national interests of prosperity. Thus the early non-alignment did or 'middle way' came as a tactical response to great power conflicts and regional pressure of India. As this study has already shown, if it were not for India's 'hurdle' Ceylon would have opted for more lucrative dealings with the West and joined them in military alliances such as the SEATO.

Colombo Powers

Idea of regionalism is etched in the gathering of Colombo Powers held in Ceylon in 1954. Melegoda makes this point by pointing out that "Sir John's period as Prime Minister saw a considerable activity in relation to Asian regionalism" (2000: 201). Asian leader had the practice of meeting to discuss common issues and India had provided leadership for such meeting previously (Ibid). However Colombo Conference took place with Ceylonese Prime Minister Kotelawala's initiative in the context of Asia was increasingly facing the

danger of becoming a victim of great power wars. Ceylon also considered communism a threat and vehemently wanted to suppress it locally. On the other hand, the US was inducing small Asian states to join its alliance through, SEATO. The context was therefore one in which Asian neutralism was being rebalanced by the West and India was trying to hold the Asian states together with the strategic goal of creating a 'neutral bloc'.

Ceylon as a follower of India, though very much unwillingly in this era, and as a country which had to settle some issues with India such as the question of the stateless people, had to, work with India during the Conference. Nevertheless, the original intention of Prime Minister Kotelawala in organizing this Conference was to please the West. Yet, Nehru's leadership was the obstacle for Ceylonese leadership to openly display its allegiance to the West.

Ceylon was on the other hand creating an image as a neutral state, which, as we discussed above, wanted to play a role of neutral mediator in the region. It wanted to emulate the policies of the states like "Switzerland" which had adopted neutralism to a greater extent and carved its own niche in the international system as a 'neutral state' (*see Melegoda 2000: 202*). Nevertheless, neutrality as a concept was realized by Ceylonese leaders through maintaining a greater distance major powers like USSR, and with a positive attitude toward 'non-belligerency' and peaceful approach to conflict resolution, but economically and politically Ceylon was less neutral compared with Switzerland.⁸⁹ The South East Asian countries freed from the yoke of colonialism then wanted to group together in order to find solutions for the common issues they were facing in the region. The countries which participated in this Conference, all Commonwealth members, were India, Burma, Indonesia, Pakistan and Ceylon. Pakistan and India had issues to settle among them, while other larger issues such as Indo-China required Asian leaders' attention since the regional peace becomes a mire without solving such conflicts.

USA and UK had their interest in the SEA region and they attempted to use Ceylon to voice their concerns in the conference. The UK had requested Ceylon to use the forum to

⁸⁹See *International Encyclopaedia of the First WW* for an idea of Switzerland's neutrality. [online web]

URL: http://encyclopedia.1914-1918-online.net/article/politics_and_neutrality_switzerland accessed 29/7/2016.

attack communism (Melegoda 2000: 205). However, with the involvement of Pakistan and India the agenda of the Conference took a positive outlook, including the issues of “Indo-China, great power rivalries and ending colonialism in Asia” (Lyon 2008:46). As Jansen (1966) viewed the context of the Conference, it was a critical moment in South East Asia, he said “the Colombo Conference met in the midst of decisive events” (cited in Melegoda 2000: 206). In *Whose Ideas Matter: Agency and Power in Asian Regionalism*, Acharya (2009) observes that the UK and USA had realised the importance of Colombo Powers for a common security and defence mechanism in Asia. They tried to get the Colombo Powers to participate in SEATO (p.49). According to him, the Britain had told the USA that in the future the participation of Colombo Powers in SEATO was the “highest importance” (*Ibid*, p. 50). India’s leadership under Nehru was guarding the Colombo Powers in a way. Sri Lanka under Kotelawala desired of SEATO but as we have discussed above Nehru’s influence had always become an obstacle for Ceylon receive military aid or be in a military alliance during Cold War. SarDesai (1968) brings out the political significance of Colombo Powers Conference in his study of India’s foreign policy on some East Asian states. According to him Colombo Powers gathered to forge consensus to challenge the great power politics of excluding Asian states in the decision making forums such as Geneva negotiations (1968: 40). The Colombo Powers argued for the independence of Indo-China and tried to promote “a climate of peace and negotiations” for the resolution of the issue (*Ibid*).

Differing with India in Bandung

The significance of this conference was that it brought together twenty nine leaders from the Asian and African regions. The ‘political discourse’ of this conference triggered the next largest movement of the third world nations, the NAM, and therefore, the Bandung conference has a huge political significance for initiating a discourse of neutralism or non-alignment and advancing politics against colonialism and ideological blocs (*see* Lumumba-Kasongo 2015). According to Samir Amin Bandung “Bandung” was “the dominant characteristic of the second phase of post war period” and its impact was on the world system” which “was organized around the emergence of the Third World” (Amin 1994:14 cited in Lumumba-Kasongo 2015).

As Wriggins (1960) observes the Bandung conference had its significance due to several reasons. In the first place it had allowed Chinese leader to participate as ‘moderate’ leader and the conference went beyond the issue of colonialism. Also the “differences between the Colombo Powers” surfaced in this conference and countries like “Ceylon, Pakistan and Indonesia were antagonised” due to the “patronizing” character of Nehru (1960: 445). However, Kotelawala’s question about “new colonialism” became the most talked about incident which captured the Western media much in praise of Ceylonese Premier’s definition of colonialism including “Soviet” or “Communist colonialism” as well (*Ibid*). Since many talked about colonialism and its capitalist origin in the West, but Kotelawala proposed that the conference “openly declare our opposition to Soviet colonialisms as much as to the Western colonialism” (*Ibid*).

Further as Nissanka (1984, cited in Hewit 1997: 82) observes Kotelawala ‘condemned Soviet imperialism in Eastern Europe and wanted the Cominform disbanded’. Even so he attacked China for nurturing Marxists in Ceylon through funding etc. The remarks of Kotelawala at Bandung were considered as an insult on China and communist states. Acharya (2009) points out that Nehru stood against what Kotelawala expressed on communism, while he “defended the sovereignty status of East European communist states” but he saw ‘a distinction between the states represented at UN by colonial powers and EU countries which were represented by themselves at UN’ (p. 57). Moreover, Kotelawala attacked regional powers, particularly China, for interferences while Nehru stressed on the “super power interventions through regional pacts” (*Ibid*).

The West found in Kotelawala an exact voice it had wanted to find in Asia in attacking communist movement of the world. Kotelawala abiding by his own conviction against Communism had launched a fierce attack on local and international Communists in Ceylon making them leave the country or deported by force (Melegoda 2000: 199).

Ceylon’s attitude expressed toward colonialism at the Bandung Conference can be explained against the backdrop of its relations with the west. Ceylon in a way wanted to become the ‘darling’ of the Western nations while economically being closer to China, whose leader Chou en Lai was fiercely attacked by Kotelawala in his speech. The strategy of Ceylon was quite clear in that it only sought to be in the good books of the

west and at this stage of its foreign relations it had not taken seriously the idea of a non-aligned foreign policy, though it boasted often of having such an external policy. Ceylon used the tactic of attacking Communism in public international forums to gain sympathy from the west.

From 1948 to 1956, Ceylon was still bound by the external affairs agreement with the UK. The events which took place during this period South and South East Asia saw the presence in them in varying capacities. Nehruvian influence on the region widely felt in this period and Ceylon remained mostly constrained due to the policy of India toward super powers. Ceylon's policy on security and economic relations kept aligned while its major problem was the autonomy in the regional sphere. Middle-way of the UNP in the decade of fifties then a policy induced by India but directed against the regional pressures rather than one which was used politically for moving along with the regional power towards the direction of creating a separate political identity as a region under the leadership of India. In Ceylon's conceptions of regionalism and middle-way the key motive was again the search for political space to avoid Indian influence and find equality in regional affairs.

Summary: Simultaneity of International Opportunity and Regional Constraints

The major political shift in the sub-regional sphere of influence in South Asia occurred when the British, who had dominated the Indian sub-continent for more than century, left the region towards the end of 1940s as a response to its waning great power status. While old powers perished two new great powers, the USA and the USSR, emerged distinctly in the international system after 1945. With the decline of the UK as a great power, the regional power vacuum naturally brought India to the centre of political organization in the region. Nevertheless, to use a phrase coined by Guha (1998), India's power remained "a dominance without hegemony" during the initial period of independence in the region, and Ceylon was guaranteed with the continuous military support of the UK, and received diplomatic and political attention of the US, while later on attracting China's unwavering backing on the economic front too.

International bi-polarity also gave rise to a Cold War between the two opposite poles which was fought on an ideologically mystified terrain of power politics. Strategically, India, as the natural great power in the sub-regional sphere of South Asia, looked for ways to save its energy at the initial stage of nation building by not getting entangled in Cold War politics. As opposed to the strategies of the distant great powers, India built a strategy to reach political eminence on a normative terrain as opposed to the high politics of bi-polarity. The British and the USA in the western alliance and capitalist bloc aimed at hegemony in the South Asian region, but India's normative bias toward neutrality became a constraint for their game of political power.

Opportunity arose for the small player, Ceylon, in the sub-regional sphere to declare independence against the immediate obstacle to its autonomy and choice of external strategy, India. Ceylon saw the emerging new political leadership of India, as the British were leaving, in the region as a security threat. The immediate response was to agree to be a partner of the UK in its South Asian military strategy. Obviously, Ceylon's security dilemma arose mainly due to the power imbalance between it and its giant neighbour India and naturally justified its stance of 'hiding' under the security umbrella of the UK. Ceylon signed two major agreements with the UK- Defence and External Affairs. This was a clear attempt to counter India's strategic endeavour to establish its hegemony in the region.

The external security arrangement of Ceylon was less concerned of sovereignty and autonomy and, therefore, testifies that sovereignty and autonomy do not become serious concerns of small states when faced with the issue of external security in the absence of military capability. Ceylon as a small state used the British link to improve its external security while receiving military cooperation to build its own military apparatus as an essential feature of a state claiming internal and external sovereignty. Ceylon's relations with the British therefore clearly aimed at defence and security.

Secondly, India attempted to build cordial relations with Ceylon while it opposed the intervention of the external powers in the security and political issues in the region. India however, could not create sufficient leverage over Ceylon's great power alliance and instead attempted to alleviate fears that the small power had over its security. India

assured Ceylon of non-interference and intervention but the idea of a greater Indian Federation haunted the minds of the Ceylonese leadership. Despite the fact that Ceylon was aligned to the West, India always worked with Ceylon in regional groupings and attempted to impart its neutral philosophy to Ceylon. Nevertheless, Ceylon realised that India's behaviour toward it was shaped by the concerns of the Indian Ocean region. Particularly, the strategic significance of Ceylon for military operations was a major concern for India and it therefore suspected Ceylon when the extra-regional powers got in touch with the small state.

Ceylon's political and diplomatic defence was often supported by the UK. Ceylon followed the UK in most instances of decision making over international issues. For instance, Ceylon recognised China following UK recognition. And likewise the compromise on its external policy with the UK was a major feature of its survival attempt during the period of study.

The USA, as a great power, was the major economic partner for Ceylon. However, the global economic recession affected the earnings from raw material exports to the west following the end of the Korean War. The major obstacle in reaching out to markets in the Communist states for raw material exports came when the USA and the UN together imposed a trade embargo on states trading with the Communist bloc, following the wars in South East Asia. The ideological rivalry of the Soviet bloc and the western bloc affected Ceylon's rubber exports jeopardising the survival of the regime. As neither the USA nor the UK could provide incentives sufficient to protect its industry and economy, Ceylon turned to China from 1952. Also Ceylon's food supply affected the situation in South East Asia and it was China that came to the rescue of Ceylon with food and a market problem for rubber.

Diplomatic dealings between the USA and Ceylon were committed to finding a solution to Ceylon's economic problem. But, as Ceylon grabbed at lucrative offers from China, the USA coerced Ceylon with a trade embargo. USA-Ceylon relations were characterised during this period by the transformation away from the USA as the traditional trade partner to the USA as a coercive great power. Also Ceylon could not be stopped from pursuing trade with China as it had the incentive of its economic survival and it made for

a classic case of bi-polarity's offer of autonomy to small nations as they took chances to switch allegiance between the two blocs.

China was not politically and diplomatically welcomed in Ceylon. But, it made its impact felt from 1952 onwards as it rescued Ceylon from riots over food (rice) and an economic slump due to the fall of export earnings. China's long-term trade relations with Ceylon were cemented during this period and diversified trade relations were gradually emerging.

Ceylon's attempts at membership of the IUN failed as the USSR kept vetoing its application. Yet, Ceylon played an important role in regional and international conferences and forums during this period. Mostly, Prime Minister Kotelawala's anti-Communist voice was projected toward the west. Ceylon had little faith in the Nehruvian philosophy of neutrality, but it also began to preach such normative lessons in regional and world forums while realistically finding alliances with great powers.

The independence of a small nation, Ceylon, following the removal of the colonial yoke could hardly empower it in the anarchical international structure without capacity to face multidimensional security threats, political, economic, and military meaning from the regional and international anarchy. Its only resistance to Indian predominance came as a result of UK's obligation to secure it just after the independence. Ceylon's resistance to India and its endeavour for autonomous existence as a recognized member of the international system of states was made through a diversely characterised strategy, a combination of diplomatic, political, and economic moves made possible mainly owing to the systemic opportunities availed to it by bi-polarity and, on the other hand, India's 'hegemony without dominance' in the regional sphere

Chapter 3

Sri Lanka and Major Powers, 1956 -1983

3.0. Introduction

The previous chapter analysed the external policy of Ceylon during the first eight year period (1948-56) after independence under three Prime Ministers, all from the UNP, and observed that the external strategy was sharply tilted towards the West; particularly, the UK then. Nevertheless, the declared policy of the UNP Government during the first eight years mirrored an anxiety over the survival of the small state after independence. International bipolarity and shift in regional power caused Ceylon to experiment a multipronged survival strategy during this period. In short, Ceylon's security and survival strategy consisted of a mixed approach of balancing and appeasing the regional power, India. Mainly, Ceylon's immediate post-independence external policy had an intent balancing component in the form of military security and politico-diplomatic cooperation with the UK, and a persistent economic and political diplomacy with the US. Further, Ceylon also adopted a 'trade only' partnership with the 'Red' China, paradoxically, maintaining an ardent anti-Communist worldview; and developed an active involvement in the third world groupings and the Commonwealth forums. Similarly, the previous chapter explored that, regionally, India's non-alignment caused a sub-systemic influence for Ceylon to search for a balance between its allegiance to the West and India's regional politico-security strategy. Finally, the chapter three concluded that the first eight years after independence was a unique era in which Sri Lanka (Ceylon) attempted an external balancing strategy vis a vis India to address a perceived threat of existence as an autonomous state entity in the regional subsystem of states.

This chapter focuses mainly on Sri Lanka's relations with major powers, USA, UK, USSR and China, and the Commonwealth. In addition, this section also studies Sri Lanka's relations with some other important regions, Middle-East, allies of the West, some states of the Communist bloc etc... Primarily, the major objective is to identify Sri

Lanka's external strategy which should have been employed to withstand or resist the sub-systemic pressures in order to ensure sovereignty, territorial integrity and autonomy in domestic and international sphere. The major assumption that Sri Lanka attempts to balance India externally - the core concern, while the chapter construct its narrative of Sri Lanka's foreign relations for a period of nearly three decades from 1956 to 1983. Furthermore, the chapter argues that despite the change of Governments every five years or so, Sri Lanka's external policy has kept searching for a balance of power vis a vis India, at times with the use of a unique as well as common set of strategies of a small state. Consequently, the external policy strategy of Sri Lanka is scrutinised primarily through an analysis of external balancing, nature of alliances with major powers, and economic and political diplomacy.

The year 1956 is regarded as a watershed in Sri Lanka's post-independence political history. The electoral defeat of the UNP in 1956 and the victory of SLFP-led *Mahajana Eksath Peramuna* (MEP) (People's United Front) caused for the localization of the practice of democracy in many ways, but more negatively than positively.⁹⁰ On the other hand, 1956 marked the beginning of Sri Lanka's attempts to transform into a Republic and become independent in the spheres of military and external affairs from the UK. In order to achieve these objectives, a 'Sinhala-Buddhist leadership' was elected to power by a majority of the people. The political movement which brought SWRD Bandaranaike into power was comprised of 'five great forces' or *pancha maha balawegaya*, non-English speaking five local elite groups, namely, 'Buddhist monks, Ayurvedic doctors, teachers, farmers, and workers' (*Sangha, Weda, Guru, Govi, Kamkaru*).⁹¹ These forces fought the UNP's anglicised and pro-Western elitism and wanted to establish the racial

⁹⁰The political contest in the domestic sphere was transformed drastically leading to a majoritarian polity after 1956 and cultural politics (language, religion) became more vibrant then onwards. Bandaranaike upheld local culture of Sinhalese and had given an electoral promise to make Sinhala the national language which further aggravated the polarization between minority and majority.

⁹¹Literally, 'the Five-great forces', a non-English educated but traditional elites of the Sinhala society rose up to mobilize masses to defeat the "pro-Western" UNP under the MEP of Mr. Bandaranaike. Undoubtedly, the most astounding account of Bandaranaike and his political struggle has been provided in James Manor (1989) *The Expedient Utopian: Bandaranaike and Ceylon*, Cambridge, Cambridge University Press.

and religious supremacy of the Sinhalese, the majority community, through a cultural, political and economic renaissance. The reforms introduced by Bandaranaike into education, culture, economy, language policy etc. broadly represented and reflected the desire of the traditional aristocratic elite and the peripheral Sinhalese elite leadership who wanted to create a Sinhala-Buddhist nation state. Therefore, the first seeds of the ethnic conflict between the two linguistic communities, Tamil and Sinhala speaking, were largely sown during this period.

Subsequently, the counter-impact of this so-called renaissance of Sinhalese hegemonic presence, in all socio-political aspects of the term, was manifested violently in 1983 when the Tamil militants took up arms against the government. Therefore, the two landmark years that define the period under the analytical scrutiny of this chapter are two of the most significant years in the post-independence era, which evenly changed the history of Sri Lanka towards good and bad.

The entire period under the scope of this section of the chapter experienced five regular shifts of governments. The first government which replaced the UNP's rule that ran from 1948 to 1956 was headed by SWRD Bandaranaike who became the fourth Prime Minister of Sri Lanka. He was the first to become a Prime Minister from an SLFP-led coalition, *Mahajana Eksath Peramuna* or the People's United Front (MEP). Bandaranaike could not complete his full tenure as he was assassinated in 1959. In his absence an interim government was formed under the Premiership of W. Dahanayake, which lasted till the general elections in March 1960. In the general elections, the UNP, under the leadership of Dudley Senanayake, gained power once again, but due to the shortage of majority in the Parliament it could function only for a few months, till the next election where Mrs Bandaranaike got elected in July 1960. Mrs Bandaranaike, the widow of late SWRD Bandaranaike ran the full term until 1965. In 1965 Dudley Senanayake won the general elections and established another UNP regime that ruled Sri Lanka until 1970. Another SLFP-led coalition, mostly with leftists, defeated the UNP government in the general election of 1970. This new government with its leader, Mrs Bandaranaike from the SLFP was known as *Samagi Peramuna* (United Front),

derogatively known as '*hath havula*'⁹²(literally a coalition of seven parties and implying instability of government's political power) for it included diverse elements of the political left and the right, and thus the SLFP coalition was back in power for seven years, from 1970 to 1977.

In 1972, Ceylon became a Republic, officially named as the 'Socialist Democratic Republic of Sri Lanka'. Having both 'socialism' and 'democracy' as its politico-social ideals, the Constitution of the state had displayed its desire to become neutral or non-aligned. The first indigenous Constitution also renamed the House of Representatives as National State Assembly (NSA) or *Jathika Rajya Sabawa*. The Governor General's position which represented the colonial link of the country to the UK was abolished, and, instead, a nominal or a ceremonial Presidency was introduced. After six years of becoming a Republic a second new Constitution was introduced by the next Government in 1978 that replaced Mrs Bandaranaike as Prime Minister in 1977. The year 1977 was a major turning point in Sri Lanka's economy too. For the first time in its post-independent history Sri Lanka opened up its economy by liberalising its external trade and finance.

The most crucial era in Sri Lanka's domestic politics opens after 1983; another historically significant year which marked the beginning of a violent ethnic conflict or a civil war between an organized Tamil militant group, the Liberation Tigers of Tamil Ealam (LTTE), and the government of Sri Lanka. The chapter ends its study just at this juncture and the next chapter will examine the rest of the period up to 1990. Primarily, this chapter studies the external policies under five Governments:

1. SWRD Bandaranaike – 1956-1959⁹³
2. Sirimavo Bandaranaike – 1960-65
3. Dudley Senanayake – 1965-1970
4. Sirimavo Bandaranaike – 1970-1977
5. J.R. Jayewardene 1977 -1983

⁹²Literally a coalition of seven parties and implying instability of government's political power.

⁹³SWRD died on 25th September 1959, succumbing to injuries of shooting by a Buddhist monk. W. Dahanayaka was appointed the Prime Minister of interim government until next election in 1960.

Organization of the Chapter

This chapter runs through five major sections; the first section was explained in the introduction which described the period of study and the five governments under the period of the study. The second section analyses Sri Lanka's major power relations. It begins with a focus on the relations with the USA under each government, then with the relations with the UK, and the Communist powers; USSR and China. The third section deals with relations with the Commonwealth, while the fourth section analyses how Sri Lanka managed to diversify its relations with the world in general, by expanding its relations to the other regions such as the Middle East, East Asia, and the rest of the democratic and communist world. The last major section, the section five, analyses the evolution of Sri Lanka's economic policy under each government, from a closed economy to a liberal, open economy and gradually to a neo-liberal market economy after 1977. A summary is provided at the end.

3: 1 Sri Lanka and Extra-regional Major Powers, 1956-1983

This section presents an analysis of Sri Lanka's relations with extra-regional major powers – USA, USSR, UK and China in terms of political, diplomatic, trade, economic, and military dimensions of relations. The section will discuss the relations with the non-Communist and Communist powers separately and will analyse as to how Sri Lanka had related itself with them and probe whether such relations helped the country to face the regional and extra-regional threats. First and foremost, it will attempt to address the question “why Sri Lanka happened to adopt and adjust its policy toward major powers”. The section begins with Sri Lanka's relations with the USA and later focuses on the UK, USSR and China.

3: 1: 1. Relations with the USA, 1956-1983

This section explores relations with USA from a broad perspective under the five Governments separately. The section mainly investigates how Sri Lanka maintained its political and economic relations with the USA, while responding to the great power's international policy during the bipolarity. The principal argument that the present section puts forward is that Sri Lanka wanted to keep the USA engaged in its external policy

despite the fact that at times USA had shown less concern over Sri Lanka within its sphere of relations. For instance even though USA had a little predilection towards the SLFP regimes, those regimes constantly kept the great power engaged diplomatically, while keeping very close relations with Communist countries at the same time. Likewise, regardless of the fact that the UNP regimes too did not want to mingle with the Communist powers closely, they could not oppose them openly. Thus the strategy for Sri Lanka has been a kind of shifting allegiance between the two great powers; USSR and USA, from time to time, while carefully avoiding criticising any of them for their foreign policy practices and international agendas.

The study assumes that this way of dealing with the two great powers, keeping them at bay or concentrating the entire external policy on them, helped Sri Lanka to follow an autonomous domestic policy and a policy of non-alignment (which we discuss later). It also facilitated to please India, which also had lots of interest regarding the Indian Ocean and was concerned of the role of small powers in its neighbourhood. Also another major finding would be that the great powers and China were more important for the small power for its economic survival, as the Commonwealth or NAM could not do much to assist it to overcome the economic crisis.

Prime Minister Mr Bandaranaike and US, 1956-1959

Bandaranaike recognised the USA as ‘the most powerful democratic country’ (*HRD* 29, 30 July 1957, col.177). Yet, he said he did not wish to indicate that Sri Lanka should be following the United States or its leadership (*ibid*). Ceylon continued to receive aid under the PL 480 program (food for peace) during Mr Bandaranaike’s period. On February 13, 1958 Assistant Secretary of State, William M. Rountree, accompanied by US Ambassador in Ceylon met Prime Minister Bandaranaike in Colombo (*FRUS, 1958-1960: 373*).⁹⁴ The purpose of this visit by the high ranked official from the US State Department was to ‘ascertain’ if Ceylon was going to become another “Syria” in Asia in the Cold War context (*Ibid*). In an article titled “Conflict and Complacency” published in

⁹⁴*Foreign Relations of the United States, 1958-60 - South and Southeast Asia; Volume XV [hereafter FRUS, 1958-1960]*

the *Time* magazine on February 30, 1958, William M. Rountree had hinted about the purpose of his visit to Ceylon, which, therefore, was known, beforehand, to Ceylon's Premier who had read the piece.⁹⁵ In his discussion with the US official Prime Minister Bandaranaike attempted to convince the U.S. that Ceylon was neither 'swinging' in the capitalist way, nor the communist way. As Bandaranaike explained Ceylon's 'outlook' was made up of three dimensions; 1) Political 2) economic and 3) cultural. He further stated that the political approach of Ceylon like that of India was oriented with democratic practice. Economically, Ceylon followed a socialist path, 'subjected to democratic process' since its average citizen was poor, living "below the poverty line". And finally, "Ceylon's cultural approach was nationalist", meaning that people wanted to return to their "own customs, religion, dress and language" (*FRUS, 1958-1960: 373-374*).⁹⁶ Also Prime Minister pointed out that Ceylon could learn from both the East and the West and did not therefore want to become 'a member of any power bloc'. He also opined that 'Communism' could have different meanings in different countries and is 'a dynamic force' which could not be 'subject to containment' (*HRD vol. 41, 4 November 1960, col. 374*). Thus under Bandaranaike Ceylon neither won the trust of USA, nor lost its goodwill. In November 1957 Ceylon faced heavy floods with torrential rains.⁹⁷ Ceylon appealed to India to provide helicopters, planes and medicines as the death toll was rising and asked the world to come out with assistance at the hour of need.⁹⁸ At the same time,

⁹⁵The report in *Time* said: "Ceylon is swinging sharply left, and frail, fidgety Premier Solomon West Ridgeway Dias Bandaranaike, 58, seems unwilling or unable—or both—to stop it. This week, as Ceylon marks the tenth anniversary of its independence from Britain, U.S. Assistant Secretary of State William Rountree is flying out to check for himself reports that the Indian Ocean island off the southeast coast of India is well on the way to becoming another Syria". [online] [URL:http://content.time.com/time/magazine/article/0,9171,868248,00.html](http://content.time.com/time/magazine/article/0,9171,868248,00.html)<http://content.time.com/time/magazine/article/0,9171,868248,00.html> accessed 14/4/2016.

⁹⁶SWRD Bandaranaike under his nationalist policy tried to rejuvenate traditional culture and Sinhalese language in place of English during his tenure.

⁹⁷A personal account of this flood by L.C.Arulpragasam can be found in the following web link,http://transcurrents.com/tc/2011/01/the_batticaloa_floods_of_19571.html

⁹⁸*The Canberra Times*, Saturday 28 December 1957, digitized archives found in <http://trove.nla.gov.au/ndp/del/article/91253896>, also see for more reports in the same news paper <http://trove.nla.gov.au/ndp/del/printArticleJpg/91254030/3?print=n>

Ceylon's Ambassador in US, R.S.S Gunewardene met with the US State Department Officials and thanked them for helping in the disastrous flood rehabilitation. US had provided 30,000 tons of flour under the title II of PL 480 as flood rehabilitation aid (*FRUS, 1958-1960: 371-2*).⁹⁹ Ceylon further requested the US to extend this aid for another three years.

Playing Anti-Communist Card

Ceylon's Ambassador to US used the anti-Communist attitude to lure the US State Department Officials. He spoke of "subtle communist subversion" at the domestic and the international level. Government of Ceylon being a mixture of leftist, socialist and nationalist leaders, the US suspected its every move as something that could lead to establish communism in Ceylon. The enactment of Paddy Land Act was a case in point. And Ceylon Ambassador in US had to assure the Department of States (USDOS) that Prime Minister Bandaranaike's Paddy Land Act of 1958¹⁰⁰ would never lead to collectivisation of lands.

The US attitude toward the Government of Ceylon under Bandaranaike during after 1956 was best presented in a document titled "National Intelligence Outlook" dated March 18, 1958. The report refers to the Government of Bandaranaike as a 'nationalist-neutralist government' which defeated the previous 'pro-western, upper-middle class government' of the UNP (*FRUS, 1958-60: 376-377*). According to this report 'Prime Minister Bandaranaike and majority of the members of the cabinet were moderate socialists, and there were radical leftist elements as well, including a group who wanted to establish a communist state in Ceylon. The report mainly highlighted the new directions of Ceylon's external policy which were pronounced through the establishment of close relations with the Sino-Soviet-bloc and Czech Republic etc. marking a significant deviation from its

⁹⁹'Memorandum of a Conversation', Department of State January 20 1958 Sub: "Ceylonese Needs for Flood Rehabilitation".

¹⁰⁰Gamini Wickramasinghe deals with the consequences of land reforms introduced under various acts including the Paddy Lands Acts in Ceylon of 1953 and 1958 subsequently in his article "Reproducing old Structures through Reforms: The Experience in Land Reforms in Ceylon", Sri Lanka Journal of Agrarian Studies, 4(1) 1983, 1-10

former government which never wanted to look beyond the western bloc in political and diplomatic relations.

Engaging the US through Financial Relations

By the time the GOC was going to present its budget for the fiscal year 1958, it was, seriously constrained with a financial crisis. According to the Prime Minister the government would fall unless additional foreign exchange came urgently in time. According to the budgetary estimates GOC wanted an additional amount of US\$ 50 million from external sources. The GOC informed the US ambassador in Colombo that those more “extreme” forces would grab power if the current government was allowed to collapse. In this context Prime Minister Bandaranaike sent an aid-mémoire to the US government seeking financial aid of US \$50 million (*Ibid.* pp. 381-2).¹⁰¹ At a meeting with the US ambassador in Ceylon, Prime Minister explained that his government was facing ‘an extra-parliamentary crisis’ though it had a large support in the Parliament. According to the Prime Minister the only way to stop such a collapse of his government was through the implementation of large scale development projects that would guarantee employment and economic development for the poor people, the majority of whom lived below the poverty line. Also the GOC informed the US at this instance that it had ‘no intention of nationalising foreign investments for the next ten years’, something that the foreign investors had feared that the GOC would be implementing soon due to the pressure from the leftist elements (*Ibid.*). Nevertheless, the US ambassador informed the US State Department that he did not want Washington to support Ceylon’s request and that he had learnt that the Canadian High Commission too had received a similar request from GOC.

However, Ceylon persistently pursued the Government of US for receiving more aid. In fact the attempts of GOC could also be seen as a tactic to keep the US engaged in Ceylon as well. Ceylon Ambassador in the US, R.S.S. Gunewardene wrote to the Secretary of State John Foster Dulles on May 23, 1958 and requested him to “see that all possible steps are taken” to help GOC “to tide over this most difficult situation” (*Ibid.*:383).

¹⁰¹Telegram no. 183 from the Embassy of Ceylon to the State Department dated May 17, 1958.

Moreover, the Prime Minister Bandaranaike decided to send his Foreign Minister to meet US State Department Officials representing him and to have further discussions about the necessity for aid. Also Prime Minister of Ceylon conveyed his decision in a letter to the President Eisenhower which was sent through his Ambassador, and explained the dire situation that his Government was facing at that time. In this letter Prime Minister expressed his gratitude to the US government for its 'sympathetic interest' shown 'in the solution of' Ceylon's problems. He further expressed that the US government would take "earnest consideration (of) the request for assistance and aid" which the Finance Minister of Ceylon, Stanley de Zoysa, was to convey him personally (*Ibid*).

On May 27, 1958 Finance Minister of Ceylon, accompanied by Ambassador of Ceylon in the US met some officials of the State Department and explained to them the political crisis that the GOC was facing then due to its inability to meet the budget deficit of Rs. 450 million, of which only Rs. 200 million could be met with loans and other sources (*Ibid*: 383-4).¹⁰² For financial assistance the GOC had approached both the US and the Canadian governments. From the US side, with the limitations of Congressional action, private sector loans from the Export and Import Bank and Development Loan Fund (DLF) were suggested initially. Generally, stance of the US was that its financial aid should be justified by the political conditions of the country, meaning the US wanted the recipient of aid to contain communism within its territory (*Ibid*: 384).¹⁰³ Among the major objectives of the US policy toward Ceylon was to achieve this target and Ceylon's record of adhering to containment policy of the US was not satisfactory according to intelligence reports. As the US Ambassador in Ceylon stated clearly, the major objective of US -Ceylon relations was to achieve this outcome of containment through the "control by non-Communist government, friendly and cooperative with the United States..." in Ceylon. Further USA expected this friendly government to be "...politically stable with broader popular support, and possessed of the *perception, will and strength to resist the spread of Communism*¹⁰⁴ from within or its effective penetration from without" (*FRUS*,

¹⁰²'Memorandum of Conversation', Department of State on 27, May 1958, under the subject "Ceylon's Request for Additional Financial".

¹⁰³

¹⁰⁴Emphasis added

1958-60: 389-90).¹⁰⁵ In reality the USA thought “Banda’s”¹⁰⁶ government lacked all these expected qualities and had allowed Communism to carry out its propaganda in Ceylon.

Nevertheless, despite the intelligence reports from the State Department that Ceylon was having a leftward swing in its political orientation, the US tried to maintain good diplomatic relations with Ceylon at least at the surface. In his reply to Prime Minister Bandaranaike’s message, the President Eisenhower expressed his concerns over the request of Ceylon for financial assistance, though in reality he acted only according to the advice of the State Department.

We welcomed the visit of your Finance Minister as your special representative and I am pleased that he had the opportunity of meeting Secretary Dulles and the heads of the various agencies of our Government concerned with economic assistance programs. I am informed that as result of these meetings Ceylon’s financial problems with respect to development aid receiving careful consideration. We are approaching these problems with the same friendly interests that we displayed during the difficulties your country experienced because of the floods some months ago (*FRUS, 1958-60: 388-9*).¹⁰⁷

The commitment of the US State Department to consider Ceylon’s financial requirements during the period of Prime Minister Bandaranaike was entirely dependent on GOC’s policy of ‘socialism, neutralism and non-alignment’. In the view of the US, Ceylon’s non-alignment had rather favoured the Communist powers, than the West, under Bandaranaike. Therefore, financial aid for Ceylon was not granted promptly and instead indicated the option of borrowing from private sources. Further the US media like *Time* magazine attempted to create a very negative image of Bandaranaike as a ‘naïve’ and ‘frail’ leader, whereas the UNP leadership was always praised with positive adjectives in their news reports. Thus the US financial and material aid for Ceylon was often decided on the external policy direction of the small state, which was true even for the 1948-‘56

¹⁰⁵Dispatch from the Embassy in Ceylon to Department of State in US Foreign Relations.

¹⁰⁶*Time* magazine very often used such derogatory terms lacking respect to describe the character of Mr. Bandaranaike.

¹⁰⁷ See foot note 3.

period, when Ceylon faced the diplomatic hurdle of the Battle Act due to the trade agreement with China.

Voice of America (VOA)

The US feared that under Bandaranaike the VOA facility in Ceylon which had a wide transmission bandwidth in the region¹⁰⁸ would be subjected to censorship. The provision of this facility to the US earned Ceylon a profit of around \$200,000 annually as the rental. However, the new government being neutral had criticised the anti-communist propaganda that the US carried out in its territory using the VOA.

A resurgence of Chinese and Soviet cultural relations was occurring under Bandaranaike and communist literature which was previously banned in Ceylon by the UNP was freely flowing during this period causing much worry for the US (*FRUS, 1958-60: 379*).

Under Bandaranaike domestic political stability of Ceylon had severely weakened, as claimed by the US intelligence reports. The brutal assassination of Bandaranaike by a fanatic Buddhist monk on 25 September 1959 was evidence to the political instability and hatred that the government was facing then. The government was subject to the criticism of various interest groups which supported it into power in 1956. At the death of Mr Bandaranaike the US Secretary of State reported to the State Department that;

...the assassination of the Prime Minister of Ceylon would have no great political consequence, in as much as it appeared to be the act of a fanatic for personal not national reasons. The Prime Minister's successor would not have the prestige, standing in the party or rasp of foreign problems possessed by Bandaranaike. The result might be a weak central authority, followed by another change in the government (*Ibid: 409*).¹⁰⁹

The temporary successor of Mr Bandaranaike was W. Dahanayake, who held the Prime Ministerial post from 26 September 1959 to March 1960. During this short period the new Prime Minister could not achieve much, but he had criticised his predecessor's policy toward the West and called the USA the "elder sister of Ceylon", in an attempt to

¹⁰⁹From a memorandum of discussion by Marion W. Boggs, October 2, Eisenhower Library, Whitman File NSC Records.

win the support of the western allies. He preferred to work closely with the Anglo-American grouping. He also thought that closing British bases was a mistake done by the previous leader of his government (*Ibid*, p409). Then Governor of Ceylon, however, had assured the US that Dahanayake had an anti-Communist and pro-Western orientation (*Ibid*).

Prime Minister Mrs Bandaranaike and US, 1960-65

The UNP could not establish its power in the general elections held in March 1959 and was defeated at the 'Crown Speech'¹¹⁰. The next poll in July brought Mrs Bandaranaike, the widow of Mr Bandaranaike, into power in a leftist coalition government and she held the control for the full term of the government until 1965. During her tenure the policy toward USA was supposed to undergo changes as she was supported by leftists. Yet, the US aid flow continued under her government as well. As the US aid was provided in furtherance of its foreign policy, there was allegation that Ceylon was under its influence in order to receive the aid flow. Nevertheless, such allegations were flatly denied by the government of Mrs Bandaranaike. F.R. Dias Bandaranaike stated that Ceylon under both Mr and Mrs Bandaranaike was not 'gullible' in entering into any agreement with USA. PL480 agreement aid was negotiated when Mr Bandaranaike held the premiership, but his Government never agreed to the principle of furtherance of foreign affairs of the US (*HRD*: 41, 4 November 1960, col. 622). The government held that if foreign aid came without strings attached to it 'as an unaided nation' Ceylon was 'free to accept it' (*Ibid*: col. 629). Ceylon was conscious that the wording of the PL 480 agreement contained certain political dimension to it; however, it further stated that it did not pose a certain danger to the country's internal security. Ceylon expected to receive a grant from USA to upgrade the airport in Katunayake. The government wanted to use China-bay in Trincomalee for providing training for air services. The government in Ceylon had not decided whether it should discontinue the 'Voice of America Radio service' under the circumstances which prevailed against the facility (*Ibid*: col. 1336).

¹¹⁰ Crown Speech or Speech from the Throne was the opening speech of Parliamentary sessions delivered by Governor General who was the representative of Ceylonese Monarch, the Kind/Queen of England. This speech was voted and use as an indicator to identify the majority's trust toward the ruling party.

Meanwhile, the leftists alleged that US embassy in Colombo used to collect information about the progressive movements in Ceylon in order to dismantle them. Since two officials from American Police aided the CID of Ceylon to organise its work locally, leftists suspected that the secret intelligence service of Ceylon was influenced by USA.

It was announced in the Parliament on 15 September 1960 that USA had agreed to establish a Science Teachers' Training College in Thihariya near Veyangoda in the district of Gamapha in the Western Province (*HRD*: 39, col. 1650, 15 September 1960).¹¹¹ However, Sri Lanka under Mrs Bandaranaike's government lost the USA's favour as it started to challenge the US interests through the nationalization of US assets in the country. The US aid program was stopped in February 1963.

Prime Minister Dudley Senanayake and US, 1965 - 1970

Gajameragedara (2011) observes that Ceylon entered into a 'durable friendly relationship' with USA under Dudley Senanayake's government during 1965-70. The stabilization of relations with USA was required for the UNP to find assistance to carve out a long term project for receiving international economic aid. However, Gajameragedara points out that as the influence of the Western powers on Ceylon had faded away in the mid-sixties, mostly due to the influence of the policy of non-alignment promoted under Nehru's leadership, the security of the country was a major concern for the UNP regimes. However, the Government could not envisage "a fundamental break away from the general policy of the Bandaranaike Government" (Gajameragedara 2011: 243).

The inbuilt security dilemma due to the country's geographical location, increasingly diminishing commitments of the Western powers' in the region, diplomatic and economic contacts that the previous Government had established with the Communist powers, and specially the changed power balance in the country worked against such an attempt on the part of the new Government (Gajameragedara 2011: 243).

¹¹¹As mentioned in the Appropriation Bill, 1960-61 presented by F.R.Dias Bandaranaike

When the Government announced that it will seek foreign aid from external sources while sticking to its policy of ‘non-alignment’, it exposed the dire economic circumstances that the country was facing in the mid-sixties. The UNP believed that the West could save it from economic collapse and sought the help of USA and the World Bank to organize an aid-group meeting on behalf of Ceylon after 1965.

Yet, the US attitude toward Ceylon in the mid-sixties was not encouraging, and instead was “undermining” and “peripheral” (Gajameragedara 2011:243) as Communist powers had played a big role in Ceylon since 1954 onwards. Nevertheless, with the UNP’s rise into power, USA moved to assist Ceylon in the economic sphere, and in return its influence would have influenced in developing a rigid anti-Communist agenda by the Government locally.

Anti-Communism

From the beginning, anti-Communism was the hallmark of UNP’s foreign policy. Dudley Senanayake’s regime within less than two weeks after assuming duties in March 1965 displayed its suspicious attitude toward the Communist countries. In this regard it decided to conduct a comprehensive investigation on the aids received from countries with a socialist orientation of politics. The Government wanted to learn the agreements which supported the reception of aid, and the purpose behind such aid. Further the UNP regime believed that the aid from ideologically socialist states could have a bigger political impact on the state. The Government also noted that even the student scholarships from such countries could be an influence on the country. As another step toward constraining the foreign ideological propaganda in the country, the Government also decided to establish a mechanism to oversee the propagandist and cultural activities carried out in the foreign embassies in Ceylon. The Government justified its action on the ground of its non-aligned foreign policy.

Also, the UNP displayed its tacit agreement with the “aggressive” foreign policy of USA in Asian region. As Parliamentarian Prince Gunsekere argued the UNP regime never wanted to condemn the war atrocities committed by the USA and its allied forces in Vietnam. Even the UNP never openly recognised the USA to be the aggressor in the

Vietnam War. As Prince Gunasekera pointed out in Parliament on 27 August 1968 the UNP under Dudley Senanayake was reluctant to criticise the West but was quick to criticise the aggression on Czechoslovakia by the Soviets. According to him the Prime Minister had remarked the following,

What is the use of naming someone as the aggressor? Do you think that it will solve this problem? Therefore it is pointless to point finger at someone as the aggressor. The issue must be settled through negotiations. The only way out is to remove all the foreign armies (*HRD* vol.81, 27 August 1968, col. 235).¹¹²

Dudley Senanayake displayed the UNP's typical pro-West posture when it came to denouncing the US aggression in many parts of the world. Senanayake was so careful even not to use the term "US forces" when he referred to the case of US aggression in Vietnam, instead he preferred the term "foreign forces" (*Ibid*, vol. 80, 28 August 1968, col. 431). Also, it is important to notice that the UNP and SLFP as shown elsewhere had ideological orientations from the beginning; SLFP rather a social democratic approach and the UNP a right-wing capitalist approach, and that ideological factor could cooperate for both sides in the conditions of bi-polarity. The strategic choices were quite available, but again, in the regional hemisphere, non-alignment affected the strategic choices of the small state, particularly under the UNP regime. Yet, the UNP was rather able to exploit the US's growing concerns towards Asia in the midst of China, Russia and India approached the small states with different political ideologies; from global Communism to state socialism to non-alignment. UNP regime was supported by the US for economic and financial cooperation and the next subsection deals with that aspect.

Ceylon under Dudley Senanayake (from 1965 to 1970) attempted to lean back with the western powers, more importantly with the US. The West through the World Bank and the IMF, strategically tied Ceylon into the international financial cooperation. The difference between the Communist powers and the Western powers was explicit much during this period in terms of the way they provided development assistance to the weak states. Despite the economic slump during the UNP regime that was resulted with the

¹¹² (Translated from Sinhala)

downfall of export income from the West, the relations with the major Western countries like the USA helped Ceylon be assured of its security requirements.

US aid which was provided to Ceylon under the USA Foreign Aid Act was resumed under the Government of Dudley Senanayake (*IridaLankadeepa*, 1965 July 4, page 01). Sri Lanka entered into the first trade agreement with the USA under the PL480 on 18.06.1958. Since then, annually, the USA had continued this aid. The following table shows the US Aid provided for Sri Lanka from June 1958 up to 31st December 1972 under the PL 480 agreement.

Table: 3:1 US Aid for Sri Lanka, June 1958 -December 1972

Year	Value of Imports (Rs)
1958 (18.June)	2,45,99,358/34
1959	6,30,51,067/69
1960	2,17,56,168/17
1962	1,75,31,320/08
1966	2,16,68,785/66
1967	4,49,44,666/44
1968	8,26,19,674/79
1969	8,31,92,840/56
1970	7,33,29,616/11
1971-1972.12.31	9,10,98,378/39

Source; National State Assembly Debates, (*Hansard*) 7:2, 08.08.1973, col. 583.

These data highlight that in the years 1961, 1963, 1964, and 1965 the PL480 Agreement had not been active. Mrs Bandaranaike held power then and she had probably antagonized the US with her policy of nationalization then. When the UNP was in power from the mid 1965 onwards, the Agreement was again alive and continued without any hassle up to 1972 till the time another SLFP Government was elected again under the leadership of Mrs Bandaranaike. The next subsection deals with Sri Lanka-US relations in the 1970s.

Prime Minister Mrs Bandaranaike and US, 1970-1977

Generally, the SLFP did not have a very impressive record of relations with the USA. Also the great power did not offer much recognition to the leftist oriented governments in Sri Lanka. However, the relations continued though economic aid was not up to the level of Sri Lanka's expectations as we saw during the last two tenures under Bandaranaike. Mrs Bandaranaike was elected for the second time as Prime Minister in 1970¹¹³ and we discuss its relations with the USA here.

In Sri Lanka, political atmosphere in the 1970s was becoming revolutionary. The *Janatha Vimukthi Peramuna* (JVP) which had backed the SLFP-led leftists into power had been frustrated and was leading protests in the country and organizing the educated youth for a revolutionary takeover of power.¹¹⁴ In August 1970 the JVP stated in its party organ *Vimukthi* that it wished to “destroy British and US imperialism and Indian expansionism and the capitalist anti-revolutionary plots”, but “...did not want to destroy any socialist program that the government wishes to out”.¹¹⁵ Meanwhile, “on March 6, 1971, there was demonstration outside the embassy of the United States of America in Colombo by the Mao Youth Front, an ultra-left organization led by Dharmasekera”.¹¹⁶ The JVP “denounced” this protest and did not involve it.¹¹⁷ Nevertheless, the youth unrest in the country was being expressed in slogans of anti- US imperialism and capitalism.

The JVP finally led a violent insurrection in April 1971 to ‘overthrow the government’,¹¹⁸ and the military crushed the ‘revolution’ brutally. The government sought foreign military assistance to defeat the JVP rebellions and UK and several other countries

¹¹³ See for a comprehensive account of the general election of 1970; Wilson, A. Jayaratnam (1975) *Electoral Politics in an Emergent State: The Ceylon General Election of May 1970*, Cambridge University Press, New York.

¹¹⁴See, “A Lost revolution: The JVP Insurrection 1971”, [Online] URL: <http://www.lankalibrary.com/pol/jvp1971.htm>, accessed 6/7/2016

¹¹⁵*Ibid.*

¹¹⁶*Ibid.*

¹¹⁷*Ibid.*

¹¹⁸Officially “the JVP’s Revolution” was considered as an attempt against the “Queen’s Government” since Ceylon was still not a republic.

offered military assistance (Samaranayake 2008: 309). The USA's assistance was 'tepid' at the beginning for the counter insurrection of the government (*Ibid*). However, the UK mediated to help Sri Lanka buy "six Bell helicopters from the USA" during the violent upheaval (*Ibid*). However, U.S.A offered more assistance in the mid April 1971 with medical supplies, spare parts, ammunition, small arms and more Bell helicopters. Further, Samaranayake observed "the limited nature of the assistance offered by the U.S.A. indicated its reluctance to get involved in the counter-insurgent operation" (*Ibid*). Yet, according to a US source, it had provided "\$3 million in grant military aid' for Sri Lanka (*FRUS, 1969-1976*).¹¹⁹ Moreover, following the insurrection, as observed by the 'US diplomatic sources, Sri Lanka-U.S. relations had improved largely "resulting from U.S. material assistance" (*Ibid*). On the other hand, Sri Lanka had to adjust its external policy considering that the 'U.S. was leading the Aid Group' and also carefully reading 'the shift in the power balances in Asia' (*Ibid*). Also, as U.S. observed Sri Lanka had maintained "silence" "throughout crucial period" of war in Viet-Nam (*Ibid*). Further, Sri Lanka had practiced "tacit virtual abandonment of non-nuclear declaration policy", so that "U.S. Navy ships and U.S. military aircrafts" 'could visit Sri Lanka despite Sri Lanka's "espousal of Indian Ocean Peace Zone" (*Ibid*). Thus during the second year of Mrs Bandaranaike's rule, despite the policy of non-alignment, the weak military capability of the country had transformed its policy toward the US and it had virtually agreed upon US military involvement in the Indian Ocean and mostly maintained silence over its wars in Asia.

In 1972 Sri Lanka entered into an agreement with COAL Company of America for oil excavation, which was parallel to the same agreement with the USSR. But the US Company did not complete the project and half way through it left the country. Also in October 1976 Sri Lanka agreed to receive US aids under the PL480 agreement (*IridaLankadeepa*, 26 Dec 1976). According to this agreement the USA agreed to provide 2 lakhs tons of wheat flour during 1977. Apart from that Sri Lanka USA relations could not be much better since the leftists dominated the Cabinet, the Minister of Finance being

¹¹⁹See, *Foreign Relations of United States, 1969-1976*, Volume E-8, [hereafter *FRUS, 1969-1976*] Documents on South Asia, 1973-1976, [Online] URL: <http://2001-2009.state.gov/r/pa/ho/frus/nixon/e8/97182.htm>, accessed 6/7/2016

an ardent Marxist, N.M. Perera. Meanwhile in 1976, Sri Lanka had issued a special stamp as a mark of respect for the 200th anniversary of the end of the American civil war. The stamp was Rs. 2.25 in value and was first issued to the Prime Minister (*Irida Lankadeepa*, 28 Jan 1976).

The next section deals on relations with the USA under Jayewardene government after 1977; a typical period of UNP's loyalty to the USA and to the rest of the West mostly for economic gains and as a way resisting India's growing influence Sri Lanka during this period.

President Jayewardene and US, 1977-1983

The UNP took over from the SLFP leftist coalition in 1977. Generally, the UNP had a positive attitude toward the West and USA. In 1980 there was much interaction between the Ministry of Foreign Affairs and the Embassy of the United States of America with regard to the facility of "Voice of America" in Sri Lanka. The UNP Government stated that the VOA was 'not a new thing; it which had been in existence here from 1951'. The stance of the Government was that "In case 'Voice of America' broadcast something that would hurt the feelings of some other country" it "had a moral obligation to oppose it" (*Parliamentary Debates* 23:7, 30 March 1983, col.1201). Also there was 'almost an understanding that VOA would not put over something which would be detrimental to our national interests' (*Ibid*). The Government provided 15 acres in Muthurajawela area for the use of VOA: this land was given at a rate of 25 dollar fee per acre with two 250-megawatt transmitters and four 500-megawatt transmitters, totalling 2,500 megawatts' (*Ibid*, cols.1201-2). In return the USA was to gift Sri Lanka Broadcasting Cooperation a 250-megawatt transmitter valued at 10 million US dollars. The VOA facility in Sri Lanka could transmit its programs to Middle East, India and Africa with the use of a Sri Lanka-Washington-satellite-Sri Lanka booster. However, the Government assured that the facility would not be used to broadcast to the Soviet Union (*Ibid*, col.1202).

Meanwhile there was the issue of arrival of American warships in Colombo harbour too. At a time when the NATO was entering the Indian Ocean region the country was more concerned about the arrival warships from the USA. One of such warship was 'SS

America' which arrived in Sri Lanka in March 1983. The opposition protested the arrival of American warships in Sri Lankan ports supposing that they would carry nuclear weapons in them (*Ibid*, cols. 89-90).

In the foregoing section the study has dealt with Sri Lanka's relations with the USA during the five governments from 1956 up to 1983. It can be established that despite the popular anti-US public opinion created by the Leftists, all governments had at certain instances sought the assistance of US in military, economic and political forms. Also, Sri Lanka's regional policy of IOPZ was not practiced in reality and US military could come to Sri Lanka very often. The Bandaranaike regimes had a tacit approval of US relations and attempted to receive more economic aid, the UNP regimes openly dealt with the US and received more favour and economic and financial aid. The next section deals with Sri Lanka's relations with UK from 1956 to 1983.

3. 1.2. Sri Lanka-UK Relations, 1956-1983

The nature of Sri Lanka-UK relations after 1956 and until 1983 is traced in this section and the objective is to see if Sri Lanka was able to continue with the same wave length of relations with the former colonizer as it happened during the first stage of relations in the post-independence period, 1948-1956. Sri Lanka during this period wanted to follow India's way of becoming a Republic, and find its own security, or else it did not bother much about security, but keeping India's line in the foreign policy in order to avoid any misunderstanding between the two countries; Sri Lanka in fact followed a policy of 'hiding'¹²⁰ rather than balancing India while severing its political and military ties with the UK during this period.

One of the central issues that happened to be dealt by Sri Lanka after 1956 was linked to regaining of full independence or becoming a Republic without any attachments with the former coloniser, the UK. Yet, the UK's presence in country's political, economic and security spheres could not be easily dealt with as the small power was not in a position to

¹²⁰ As Wivel (2016) observes 'small states follow a hiding strategy' aimed at staying out of trouble by staying out of sight' (see Chapter two in *Small States in Europe: Challenges and Opportunities* Steinmetz and Wivel (2016))

directly remove all links at once. Therefore, the period after 1956 and up to 1972 is studied as a period of gradual reforms in the political, economic and security frontiers in order to become a sovereign Republic. The first era in this endeavour belongs to Mr Bandaranaike's regime, 1956-1960 and he was preoccupied with the issue of acquiring the British occupied bases and building a local military. This section deals, for the convenience of study, under two sub-periods, 1956-1977 and 1977-1983.

Ceylon-UK Relations, 1956-1977

As we saw above, after 1956 the foreign policy was being reoriented in Ceylon. Bandaranaike's foreign policy was drastically different from the previous government's policy over British military bases in Ceylon. He wanted the UK to hand them over to Ceylon. He said:

On the question of the bases I have settled things with the British Government. They need further discussions. The bases of Trincomalee and Katunayake will be handed over to the Government of Ceylon in 1957...and the flag of Ceylon will fly over the bases of Trincomalee and Katunayake in the course a few months in 1957, that is, after the formal handing over of the bases (*HRD* vol. 32, 14 August 1958, col. 804).

The question of bases still had some residual issue over some facilities that the British wanted in the bases, even though they had agreed to hand them over. The facilities that the British wanted were for the use of arms dumps and oil reserves in Trincomalee. Ceylon did not agree to any indefinite continuation of facilities after the formal handing over them, but it agreed to provide them for a limited period.

Further in reply to his critics over the issue of providing facilities to Britain, Bandaranaike clarified his position. He stated that he had 'no intention on his part' to "...grant any facilities which cut across the fundamental foreign policy of this country as enunciated and made known to the Government of United Kingdom" (*Ibid*, col. 1149). Further he was convinced that the Government had reserved "the right to deny any facilities at any time of hostilities..." (*Ibid*, col.1150).

The Treaty Series No. 4 of 1957 relating to Exchange of Letters between the GOC and the Government of the United Kingdom regarding United Kingdom Service

Establishments in Ceylon was discussed in Parliament on 19th June 1957. In his explanation of this Agreement Bandaranaike said that his Government had reached the conclusion with the UK over the bases in Katunayake and Trincomalee. Accordingly, the UK had promised to formally hand over the bases of Trincomalee on 15th October and Katunayake on 1st November 1957 (*Ibid*: 28, session 1957-58, 19 June 1957, col. 266). Also Ceylon had promised to allow the UK to avail some facilities for few years to come till they get them removed later. The services of those facilities were to cease in two or three years' time. As Prime Minister revealed, the UK had a "good deal of oil and also ammunition dumps in Trincomalee which they cannot shift at once, and certain communication facilities at Katunayake" (*Ibid*). The entire establishment of British in Ceylon was valued at Rs. 100 millions. And Ceylon offered to buy some facilities at Rs. 22 million to be paid in instalments of Rs. 4 million over five years (*Ibid*: 29, 30 July 1957, col. 86).

As Bandaranaike interpreted the significance of receiving the bases back to Ceylon it was the point of completion of the freedom of Ceylon. As he stated, "The last remnants of colonialism in this country have been removed; the bases will no longer exist" (*Ibid*, 24 July 1957, col. 1778). The jargon of Mr Bandaranaike witnesses to his political orientation that he was a social democrat and was against imperialism and colonialism.

Another issue facing Sri Lanka was the clearance that the visitors had to seek from the Imperial Centre in London in obtaining a Visa to enter Sri Lanka. Mostly business people from communist countries, when they wanted to visit Ceylon, faced the problem of receiving approval from the Imperial Centre in London, as EAM and Embassies had to refer to this institution before arrivals were permitted to enter Ceylon (*HRD* vol. 34, on 6 August 1959, cols. 474-5).¹²¹ This issue, therefore, highlighted another constraint in the external policy of Sri Lanka during this period and Sri Lanka wanted an amicable solution for the issue.

¹²¹Dr. Wickremasinghe raised the issue in Parliament on 6 August 1959.

Rethinking Military Security

With the abolishment of military bases occupied by the UK, Ceylon had to rethink of its military arrangements - defence. Bandaranaike was not willing to increase the defence expenditure. He told “the smaller our defence forces, the better we will be able to safeguard our independence” (*HRD* vol. 29 session 1957-58).¹²² At the international level he was for disarmament and his local policy of defence had the influence of is international stance on military. As a ‘small underdeveloped country’ Bandaranaike did not like Ceylon to have a disproportionately bigger defence force far in excess of armament requirements’ (*Ibid*).

In the realm of defence a major concern for Bandaranaike Government was the protection of the coasts ‘from illicit immigration, smuggling, and little forays’ (*Ibid*). For the threats of this nature the Government thought the “the coastal defence and the navy may be required much more so than the navy would be required in the first stage” (*Ibid*, col.130). There were concerns about the air force as a country which had experienced air raids during the Second World War. Even though Bandaranaike was of the opinion that in an atomic age the conception of war had undergone drastic changes, still there was the necessity for states to improve conventional military. Therefore the Government of Bandaranaike saw the necessity of improving its military power from ‘a certain minimum’, though it was not done in any ‘militaristic spirit’. The Government had “no intention to make big advances and expansions from a militarist angle at all” (*Ibid*. col.132).

Small Country Foreign Policy

Samarakkody, member of Trotskyite group in the Government, approved the foreign policy of Mrs Bandaranaike which actively engaged Ceylon in international political scenario. He opined that;

¹²²Bandaranaike in the debate on the item if defence expenditure in the appropriation bill on 30 July 1957,

As a small country, we too have our part to play in world affairs. Not only Ceylon but a number of other small countries as well are today intervening very effectively to prevent the increase of world tension which could lead to a serious situation, if not world war (*Ibid*, vol. 41, col. 462).¹²³

He further pointed out that his Government under Mrs Bandaranaike's leadership had advocated the policy of neutralism and told 'by and large' Ceylon had followed non-alignment. In his reading of the world tension of that day, it was a result of the imperialist policies of the great powers. As he told, "one of the causes that tend to increase world tension" was "either direct aggression on the part of imperialist countries or the desire of imperialist countries to suppress and repress countries which have been kept by them under their iron heel" (*Ibid*, 3 November 1960, col 462).

Within the Government members expressed different views on their approaches to foreign policy but would like it to be within the scope of democratic socialist policy. However they stressed that Ceylon should benefit from its policy.

Always we need to adapt our policy in way that enables us to receive aids from all the powerful nations in the world. ... However, when our party's policy is analysed, it seems our party attempts not be a part of any of these blocs (*Ibid*.471).¹²⁴

It was raised several times during Mr Bandaranaike Government, especially the need to upgrade the military of Ceylon. The military in Ceylon had 'obsolete equipment' and there was the necessity for building infrastructure facilities for them. Samarakkody revealed that most of the armaments could not be used though they were used for parade and display purposes in public. Altogether Parliament discussed the expenditure on defence items under 1961 appropriation bill for Army, Navy and Air Force (*Ibid*. vol.41, 4 November 1960, cols.646-652). The problem of providing its own security in the absence of British military in the country was then being felt by the Government. Finance Minister, Stanley Tillekeratne, spoke about some items and expenditure on them:

Up to now we have had an alien Army and alien Navy. Now under these items of expenditure we are spending Rs. 2,017,050 on mechanical transport for the army which we did not spend last year.

¹²³ EdmandSamarakkody was replying to the UNP's sarcastic remark that Ceylon was going more into playing a role in world affairs.

¹²⁴Translated from Sinhala, speech of Mr. Jayasena, (MP).

We are spending another Rs. 130,000 on mechanical transport for the Royal Navy, which we did not spend last year. At the same time, on mechanical transport for the Air force we are spending Rs. 1,210,800 which we did not spend earlier (*Ibid*, 4 November 1960, col 656).¹²⁵

Meanwhile F.R.Dias Bandaranaike raised the issue that ‘for which purpose Ceylon was running the three forces’. He explained some of the utilities of having military even though it ‘swallowed up’ some funds which could be used for other ‘more useful purposes’ (*Ibid*. col.664).¹²⁶ The first priority with regard to security of the country was to ‘protect the shores from illicit immigrants’. Ceylon’s “...natural frontier, which is a police frontier, is the North West coastline which has to be guarded against the inroads of illicit immigrants’ *Ibid*, col.665).

Non-existent Defence Agreement with UK

Mrs Bandaranaike’s Government, July 1960-1965, argued that there had been no Defence Agreement as it was acknowledged publicly during the UNP regime. As F.R. Dais Bandaranaike pointed out the agreement D.S. Senanayake had entered into with the UK was ‘really not a defence agreement at all (*Ibid*, 4 November 1960, col. 565).’ As he stated, that agreement was just an enabling agreement that provided ‘GOC to enter into negotiations with Great Britain for purposes of the Defence of this country’ (*Ibid*, col.564).

He further revealed that when Mr Bandaranaike decided to take over the bases and found “there was no agreement, there was no obligation on the Government of Ceylon to pay any compensation at all” (*Ibid*, col. 565). Ceylon acted on this advantage during that time and arranged to take over the bases from Britain. According to the arrangement arrived at with Britain in 1957 by 1962 “all the remaining traces of British military occupation of any part of this country must disappear” (*Ibid*). How Ceylon was reacting to British occupied bases at this juncture under Bandaranaike displays a drastic change of its foreign policy towards the West.

¹²⁵ Stanley Tillekeratnespeaking on the vote on defence items

¹²⁶Speech of F.R.Dias Bandaranaike

As informed to the Parliament by the Government of Britain had removed all the equipment, which remained from their occupation of the bases, before the expiry of the agreed deadline of 1962. The only facility which remained by November 1960 was a Signal Station at Welisara which also constituted a Commonwealth link with the Government. Nevertheless the British were to remove that facility too before the end of 1962 (*Ibid*).¹²⁷

It should also be noted that even though the British had handed over their bases back to Ceylon, they could use them in case they wanted them with the permission of the Government of Ceylon. Royal Navy and Royal Air Force used the facilities at times with the permission of the Defence and External Affairs Ministry which were under the Prime Minister of Ceylon, but nevertheless the facilities provided had to be paid by the users. Also Ceylon's frigates "Parakrama" and "Mahasena" were permitted into foreign harbours (*Ibid*, vol. 41, 4 November 1960, col. 566). Further, the oil tank facility in Trincomalee had not been taken over by Ceylon during Mr Bandaranaike's period. 'No Government', neither Ceylon nor the Britain 'wanted them'. There was the problem of leasing the facility after the expiry of 1962 when the British were to leave Ceylon's bases completely.

During Dudley Senanayake's tenure (1965-1970) UK involved in creating an aid group. Gajameragedara (2011) observes that "mutual friendly relationship between the two countries remained" throughout this era (p.126). Nissanka (1984) has also explicated that UK remained a major trading partner of Ceylon, though in general, export income had recorded a decline during the tenure of Dudley Senanayake, except in the year 1965. The UK and the West bought much of its tea production during this period, but Nissanka argues that the West did not offer better prices for Ceylon, hence despite the UNP's pro-West attitude, "the West and UK in particular had no sympathy for the regime of Dudley Senanayake (1984: 311). Yet, Gajameragedara contradicts with Nissanka's concluding and state that the UK emerged as the 'leading aid-donor to Ceylon on Government-to-

¹²⁷As informed to the House of Representatives by FR Dias Bandaranaike.

Government basis” (2011: 127).¹²⁸ Nevertheless, in the political and diplomatic sphere of relations Ceylon did not have any ‘controversial relationship’ with the UK under the UNP from 1965 to 1970.

Jayewardene and UK, 1977-1983

Under Bandaranaike, Sri Lanka sought to be politically independent from the UK. They did this by abrogating all agreements relating to Defence, External Affairs and Political Affairs and finally making Sri Lanka a Republic in 1972. However, once the UNP came into power in 1977, the relations with the UK witnessed a revival. Traditionally, the UNP had close relations with the UK. In 1979 Prime Minister R. Premadasa undertook a visit to UK to convey good wishes of Sri Lanka to the newly elected Government of the UK under the leadership of Margaret Thatcher. The Prime Minister stated that ‘the statements of policy of the British Government appeared to have many similarities in internal economic policies, and an early affirmation of the opportunities that such a common position would provide for increased trade and investment’ with it. The UK Government offered ‘great appreciation of the liberal economic policies’ Sri Lanka had just then adopted under the UNP regime. The most important contribution for Sri Lanka’s development projects from the UK was made when it agreed to commit funds for the building of Victoria reservoir.¹²⁹ The irrigation and hydraulic project named after Queen Victoria in display of the UNP’s gratitude and loyalty to the British was one of the largest projects under the Accelerated Mahaweli Development Project (AMDP). While participating in the Lusaka summit of the NAM, UK Prime Minister Thatcher promised to Sri Lanka Prime Minister in a personal note that her government would like to grant \$ 100 million for the Victoria Dam project. The Prime Minister of Sri Lanka submitted a letter to Parliament that he had received from the Prime Minister of the UK which said

¹²⁸The total aid commitment to Ceylon by UK during 1965-1969 was \$ 50million (Gajameragedara 2011:127).

¹²⁹See, ‘Evaluation Report, Victoria dam Project Sri Lanka’. Entirely, UK committed a sum of “Rs 9000m, including £113m (Rs 6557m) of British grant aid, and was inaugurated in April 1985”. [Online Web] URL: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67900/ev392s.pdf accessed 23/7/2016.

she was glad to be able to offer the contribution for the Victoria Dam project with the amount of \$100 to be used over a period of six years.

Prime Minister Premadasa viewed the assistance offered by the UK Government as “a manifestation of the appreciation of the correctness of the policies and programs” of the UNP Government (*Parliamentary Debates* 1980). Sri Lanka invited Prime Minister Margaret Thatcher to the inauguration of the Victoria Dam project. The British Government was also concerned about the ‘Tamil question’ of Sri Lanka. As Prime Minister Premadasa told Parliament on behalf of the Government he had conveyed the ‘true state of affairs’ of the problem to the British Government during his visit. The total aid that the UK had committed at the end of 1979 was Rs. 3.5 million for the Victoria Project and the total aid Sri Lanka received for this project from the Aid Group stood at Rs. 14.5 billion in 1979 alone.

Falkland Issue (UK)

Sri Lanka’s traditional allegiance with the UK was displayed during the war in Falkland. Particularly, Sri Lanka committed itself to the friendship with the UK as it had become one of the major investors in the mega developments projects after 1977. The opposition alleged that the UNP Government acted partially in the case of Falkland issue. It had voted with the United Kingdom at the UN. The UK had lobbied the Government to get Sri Lanka’s support in its favour, but the European Economic Community (EEC) had abstained from voting for Resolution on Falkland (*Ibid*, 21:16, 25 November 1982, col. 1983-4).

Falkland issue was one such case which tested the genuine nature of the non-alignment of the UNP regime. The opposition parties alleged the regime had failed to side with the small state while it had not clearly expressed its stance as well.

Government with having subverted its own principles of Non-Alignment and subverted its own principles in regard to the Non-Aligned Movement because it has other considerations in mind. At the time the United Nations resolution was discussed Sri Lanka did not make it clear...did not intervene in the debate and did not explain its position in regard to Falkland dispute (*Ibid*, cols. 1883-4)

Thus it should be clear that the UNP kept its loyalty towards the UK intact even when the local constituency vehemently opposed its foreign policy. And such instances speak much about the intensity of systemic influence of world politics and economics on small states which certainly transcends the influence of local determinants on foreign policy decisions. In the next main section Sri Lanka's Commonwealth relations are examined for the period from 1956 to 1983.

3. 2. Sri Lanka and the Commonwealth, 1956-1983

Ceylon was under centre-left regimes from 1956 to 1965 and from 1970-1977, but, still it maintained better the Commonwealth connection. Nevertheless, it was the UNP which emphasised much on the relations with the Commonwealth; and under a government with a world view which was not so friendly with the west many would have thought that the SLFP-led Governments would shed their relations with the Commonwealth. On the contrary, 'relations with the Commonwealth was maintained and strengthened' under Mrs Bandaranaike. She was 'privileged' to attend several commonwealth conferences. Further Ceylon found the Commonwealth as another forum which provided the country to 'exchanges views freely and frankly and to help one another without in any way surrendering their sovereignty or subordinating themselves' (*Ibid*, vol. 41, 4 November 1960, col. 566). Ceylon had its difference with the UK when it nationalized 'certain British interest in Ceylon' but could approach them 'in a spirit of mutual understanding'. The Government of Mrs Bandaranaike expected to find better settlement for the question of compensation for the nationalised British assets in Ceylon.

Even though Ceylon wanted become a Republic following India's footsteps under Bandaranaike it did not want to detach from the Commonwealth forum. Leslie Goonewardene, one of the stalwarts of Bandaranaike Government, pointed out the Government's position in line with PM Bandaranaike's policy.

The position of the Government is...that... at a not very distant date convert ourselves into an independent republic, we should nevertheless continue to be within the Commonwealth (*Ibid*, vol. 29, 24 July 1957, col. 1061).

Ceylon's relationship with the Commonwealth looked 'somewhat unreal' according to Leslie Goonewardene, for it was divided into two in the case of Suez crisis as 'white' nations had joined the side of Britain. In the question of Suez 'Asian erstwhile members of the British Empire' looked 'eye to eye' with Britain. That is why critics within Bandaranaike's Government viewed 'the Commonwealth' was 'becoming unreal'. However, the Commonwealth had some reality for small states like Ceylon which those countries could not deny. Leslie Goonewardene saw that 'many people' in Ceylon believed that 'the Commonwealth as more advantages than disadvantages and, for that reason, *preferred to continue* to remain with the Commonwealth'(Ibid, col. 1062). Goonewardene argued that for big countries like India, 'the advantages of remaining within the Commonwealth' would 'outweigh its disadvantages' (Ibid).

The short-lived government of Dudley Senanayake reaffirmed the Commonwealth link as was revealed in the Governor General's speech delivered at the House of Representatives on 16 April 1960 (Ibid, 16 April 1960, col. 41-42). The Governor General emphasised that his Government will assist to maintain the 'friendship with Commonwealth' in all the ways it needed, while it maintained such relations with other countries too. Also the speech highlighted the Government's intention to 'make a Republic within the Commonwealth' (Ibid).

Government Ministers too saw the instrumentality of the Commonwealth as a forum to project Ceylon's worldview to the world. Regarding the issue of apartheid in South Africa Minister of Nationalised Services, Shipping and Transport and Ports told that "however, whoever may represent us, the Commonwealth of Nations ought quite clearly to be told what the people of this country feel about the goings on not merely in South Africa but in the whole of the African Continent, Kenya, and so on...our feelings must be echoed through the world" (Ibid, col. 68).¹³⁰ With the upsurge in nationalism, Sri Lanka was ready to become a Republic, and it was looking for the right time to announce the decision.

¹³⁰Mentioned by MontegueJayewickreme in debate on the Governor General's Speech.

Mrs Bandaranaike attended the Commonwealth Heads of Government Meeting (CHOGM) held in Singapore from 14 to 22 January 1971. In this conference Sri Lanka and other participants discussed the issue of 'Britain's proposed sale of arms to South Africa'. As Mrs Bandaranaike stated in the National State Assembly she had stated the following regarding the Britain's proposed move in the context of apartheid politics in South Africa. She had said that

All of us appreciate the interest of the United Kingdom in furthering her own commercial interest and in protecting sea routes which she considers are important to her for her supplies. The problem however, is that South Africa has outraged the conscience of the world by her stern defiance of the United Nations resolution, the basic conception of human rights, and world opinion generally by persisting in apartheid politics that no reasonable human being throughout the world including the United Kingdom accepts (*Ibid*, vol. 93, 21 February 1971: col. 1517).

Under Mrs Bandaranaike, together with other members of the Commonwealth, Sri Lanka held a very strong opinion against apartheid policies of South Africa. Moreover it made a strongly worded statement in condemning a proposed sale of arms by the UK to South Africa and it was a test case for its stance in relation to opposing a 'fascist regime'. Sri Lanka as a Commonwealth country represented the aspirations of the Third World. In this Conference African and Caribbean countries 'expressed themselves very strongly' and Sri Lanka was together with them. UK's move to sell weapons to South Africa was seen by Sri Lanka's Prime Minister as something against the 'world opinion' on South Africa. In the Singapore Conference of the Commonwealth nations, the draft Commonwealth Declaration was adopted as proposed by President Kaunda of Zambia. Sri Lanka was in support of this Declaration.¹³¹

Sri Lanka under Prime Minister Mrs Bandaranaike always had resisted 'the introduction of great power conflicts into the Indian Ocean'; a major proposal to make this idea a

¹³¹See "Singapore Declaration of Commonwealth of Principles" [Online Web] URL: <http://thecommonwealth.org/sites/default/files/history-items/documents/Singapore%20Declaration.pdf> accessed 16/7/2016

success was the move by Sri Lanka to make the ‘Indian Ocean a Peace Zone’.¹³² In this direction, the Commonwealth provided Sri Lanka to articulate its position regarding the Indian Ocean as Peace Zone. After the British left Sri Lanka’s bases in 1956 it wanted to find other places to station its military. The USA and USSR were competing for gaining bases in the Indian Ocean too (*see* Vivekanandan 1981). The bases at Diego Garcia held by the Americans came to be questioned by Sri Lanka at the Commonwealth Conference in Singapore in 1971. Prime Minister of Sri Lanka pointed out that in “giving the military bases at Diego Garcia to the Americans no Commonwealth country had been consulted” (*HRD* vol. 93, 21 February 1971: col. 1519). Sri Lanka campaigned for making the Indian Ocean a Peace Zone and removing its military bases and most of the Commonwealth countries were in agreement with its position in this matter.¹³³ At the proposal of Sri Lanka on the Indian Ocean region initially Pakistan, India, Mauritius, Zambia, and Tanzania had expressed their ‘gratitude’. Despite the reservations made by Australia and Britain on the bases in Diego Garcia and ‘non-consultation’ of the Commonwealth members, the proposal made by Sri Lanka won the consensus of the Conference.

During Mrs Bandaranaike’s tenure from 1970 to 1977, the Commonwealth forum provided space to raise several issues regarding international trade, tariff and freight charges. As a country specializing in the export of primary materials to European and other markets Sri Lanka had more to discuss and gain through the Commonwealth forum (see the table below). Sri Lanka stressed in the Singapore Conference on ‘the importance of concluding international agreement on the trade of tea’ as the EEC could have affected its tea exports as it had not guaranteed the continuing assurance on the suspension of import duties. Therefore the issues of market for Sri Lanka’s primary exports were a continuing problem during the 1970s and with her strong ‘non-aligned policy’ there had been several problems over the international trade. That is why Sri Lanka wanted to use

¹³²See UNGA Resolution 2832 (XXVI) 16 December 1971, “Declaration of the Indian Ocean as a Zone of Peace”, [online Web] URL: <https://documents-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/328/48/IMG/NR032848.pdf?OpenElement> accessed 16/7/2016.

¹³³ As Kuruppu (2004) points out that India’s stand on great power rivalry and the US’s expansion facilities in the Diego Garcia was reflected in Sri Lanka’s original proposal made at UN, NAM and Commonwealth.

the Commonwealth for discussing issues related to trade agreements, preferential trade, supplementary financing, and development cooperation (*HRD* vol. 93, col. 1521).

At the Commonwealth Heads of Government meeting held in Lusaka from 01 August to 10th August 1979 Sri Lanka was represented by Prime Minister R. Premadasa. In this meeting he emphasised the importance of both trade and aid to developing countries in their effort at economic development. Sri Lanka expected Commonwealth cooperation from the Commonwealth Fund for Housing, Urban Development and Protection of Environment and showed them as basic areas which qualify for the fund program. Further Sri Lanka was in agreement with members that the Commonwealth Fund could be used for technical cooperation as well. Premadasa's speech at the commonwealth HOG meeting had been confined to the following two points,

1. 'The question of the transfer of resources to developing countries and in particular the importance of such transfer to Sri Lanka'.
2. 'The matter of commodities and of the need for international arrangements to stabilize prices of our export products, particularly Tea and Rubber' (*Parliamentary Debates*, 10 August 1979, col. 75).

Sri Lanka's changing attitude towards the Commonwealth was clearly showcased in the speech of R. Premadasa representing the President of the country. It was concerned much with economic gains from the multilateral forums and was not much interested in condemning imperialism or colonialism as happened during Mrs Bandaranaike's two tenures of office.

In 1981 there were more than three hundred commonwealth scholarship recipients in the country who had completed their education abroad and returned (*Ibid*, vol.14:08, 03 March 1981; cols. 755-769). Likewise Sri Lanka benefited from the Commonwealth in many ways. Sri Lanka maintained Commonwealth connection as membership of a larger international body rather than as showing further loyalty to the former colonial power. This international forum, though it did not have much economic and political leverage like other formal regional or international organizations, helped strengthened Sri Lanka's autonomy and independence. Therefore, all the governments valued it as an international forum for debating its own issues, as well as others. The next section discusses Sri Lanka's relations with the Communist powers; China and USSR, 1956-1983.

3.3. Relations with the Communist Bloc, 1956-1983

As already discussed in the previous chapter, in 1952 the UNP regime was virtually forced by the dire circumstance of an economic crisis to sign an agreement with China on commodity exchange. It did so despite the USA's diplomatic pressure and it was facing the fall of foreign exchange earnings from the export of primary products. Anyway, the trade relations with China did not pave way for diplomatic relations then.

The period after 1956 was different from the first stage of foreign relations up to 1956 and Sri Lanka began to open it up for Communist countries as well in the context of Cold War and Non-Alignment. This section studies the nature of Sri Lanka's relations with USSR and China and analyse them to see if the country gained necessary clout to face regional and international constraints from such relations. The section unfolds with relations of Ceylon with USSR and deals with it under each regime separately. Discussion of USSR is followed by Ceylon's relations with China.

Ceylon-USSR Relations after 1956

The most important change that occurred in the character of Sri Lanka's relations with the USSR after 1956 was with the attitude toward Communism. And the initiative was taken by Mr Bandaranaike who opened up cultural, political and economic frontiers for the USSR. An agreement between the Government of Ceylon and the Government of the Union of Soviet Socialist Republics for the promotion of cultural co-operation between the two countries was reached in 1958. This was the first treaty that Ceylon entered into in order to promote cultural relations with the international community. Treaty No 6 of 1958 was a Trade Agreement between the USSR and Ceylon Government. These two agreements were discussed in Parliament on 25 June 1958. Ceylon's Minister of Trade and Commerce, R.G. Senanayake, stated that "the Trade Agreement provides for the extension of non-discriminatory treatment in trade by each country to the other" (*HRD* vol. 31, 25 June 1958, col. 317). Next, an Agreement on Economic and Technical Co-operation between Ceylon and the Union of Soviet Socialist Republic came into effect from 1958 onwards. Also between the two countries a payment agreement was entered

into in the same year. USSR also opened a credit line for Ceylon to the value of 120,000,000 roubles for a period of five years.

Mainly, the Soviet aid was meant for industrialization rather than for immediate consumption. Under the Economic and Technical Cooperation Agreement of 1958, the USSR provided technical aid for a number of development projects in Ceylon; flood control, water supply, development of sugar cane industry, cotton plantation, establishment of metallurgic works, establishment of factory of motor car tyres and tubes, mining of peat, establishment of a flour mill, establishment of a plant for building housing materials, a cold storage, plant for extracting flour from manioc, development of fisheries, salt manufacturing, equipping “science teaching laboratories” for junior schools, and restoring some irrigation structures” (*HRD* vol. 34, 12 August 1959, cols. 1169-1174).¹³⁴

Trade and Aid

Trade with China and USSR through agreements was advantageous for Ceylon and it directed its foreign trade policy to build such bi-lateral partnerships. Ceylon wanted to enter into long term trade agreements with fixed rates that would help it face the fluctuations of prices in the international market. Colvin R. de Silva argued that it was not the time for the country to dilly-dally by saying that ‘we do not like the system of that country’. He hinted that Ceylon had to develop trade and other relations with all the countries without bias toward their ideological bases.

Moscow wing of the left made it clear that they preferred USSR over the West. For instance Keuneman stated that he agreed ‘with the basic lines of the foreign policy of the Soviet Government’. Because “...that line of Soviet foreign policy is in the interests of maintaining peace, of ending colonialism, of helping newly-independent countries to stand up on their own feet” (*Ibid*, 4 November 1960, col. 527). This shows the influence of the local constituency on the public opinion favourable for the Communists powers during this era. And, at the same time, the regime in power could decide the external

¹³⁴Economic and Technical Cooperation Agreement between the USSR and Ceylon.

policy toward Communists with ease as regional power too shared the same foreign policy during this era.

As mentioned before, USSR aid to Ceylon mainly came for industrial projects. Two major industries which received the assistance of the USSR were tyre and tube and Iron and Steel industries in Ceylon which was being discussed during Mr Bandaranaike's Government (*HRD* vol. 40, col. 799).¹³⁵ Trade Agreement with the Gently Company of the USSR was extended up to 1969 during the regime of Dudley Senanayake. Under this agreement Ceylon exported goods worth of Rs. 300,000 for a period of three years from 1967 to 1969.

UNP and USSR, 1965-70

Dudley Senanayake assumed office as Prime Minister in 1965. The UNP Government continued to maintain its anti-Communist posture¹³⁶ and wanted to contain communist propaganda. The regime did several things to showcase its opposition to communism. However, Prime Minister Dudley Senanayake did not like to accept that Ceylon's relations with the Socialist bloc were deteriorating under his Government as the opposition had alleged of it. He said "...as far as our relationships with the so-called Socialist Bloc is concerned, our trade has expended considerably and there is no indication whatsoever that the relationships have deteriorated in any way" (*HRD*, vol. 74, col. 642). Generally, the UNP wanted to "trade" with all and even with communist powers that attitude remained unchanged as showcased by Senanayake's policy.

USSR had offered several scholarships to students of Ceylon, yet the GOC had not yet recognised some degrees offered by some Soviet Universities. For instance, the Patrice Lumumba University had not been yet recognised by the National Council of Higher Education of Ceylon. Also, The UNP regime imposed restrictions on sponsored visits abroad by locals for studies and other proposes. The students who received the scholarships from foreign countries had to get the clearance form Ministry of External

¹³⁵ S.A. Wickremasinghe pointed out that in the Throne Speech of Bandaranaike's Government it was mentioned Ceylon would work with USSR in establishing industries of rubber, steel and iron in Ceylon.

¹³⁶ Kodikara (1988) interprets that UNP had "antipathy" towards communism.

affairs before they left the country. This policy was not uniformly applied on all the countries, but was mainly used to restrict people leaving for Communist countries, mainly the USSR. Peter Keuneman alleged that those students who had received scholarships from the “United States of America or Great Britain or West Germany or France encounters no such prohibition from the Ministry” (*Ibid*). The UNP had treated the student scholarships from communist countries with suspicion. It feared that the scholars returning after studies from communist countries would propagate the ideology of communism locally.

Soviet Role in Congo

It seems that Ceylon’s attitude toward Congo was reshaped by USSR’s intervention at the instance of political destabilization caused by the dismantling of the legally elected Government of Lumumba. Some members in the Government held the view that the UN’s conspiracy in Congo was revealed by the Prime Minister of USSR. As K.M.P. Rajarathana stated in Parliament it was the Prime Minister of USSR who exposed the activity of the ‘imperialist America, Britain and Belgium’ in Congo that did not allow the peaceful and lawful functioning of the Government of Lumumba (*Ibid*, vol. 41, col. 603, 4 November 1960).

USSR accused the NATO countries, including Belgium, for the chaotic situation in Congo and members of the House who wished to be in the side of Soviet power questioned the Government as to how it could be neutral after all the truth had been revealed. They charged that the Government could promptly accept anything that came from USA, but the USSR was not given same promptitude in relations. The imbalance of the UNP’s external policy toward the two great powers, anyway, was clear enough, but there was no total breakdown of relations with any bloc of powers.

Some members of Parliament observed that Ceylon applied restraint over its policy towards USSR, whereas it was prompt in acceding to affairs with the US. They questioned the meaning of ‘neutralism’ or ‘middle path’ and alleged that the Government had always refused to accept Soviet proposals and always wanted to inquire into them; whereas it had accepted everything that USA tells it (*Ibid*, col. 604). It was very obvious

that the UNP traditionally maintained a pro-West policy while had a half-hearted approach toward Communist powers during the bi-polarity.

Soviet Invasion of Czechoslovakia

The invasion of Czechoslovakia by the Soviet Union on 20-21 August 1968 was another issue which tested Ceylon's policy of remaining neutral over international conflicts during the UNP regime of Dudley Senanayake. On 28th August 1968 R.G. Senanayake raised the issue of invasion of Czechoslovakia in Ceylon Parliament. He opined that under the Soviet Union another type of imperialism had come into existence which was called 'Red Imperialism' adding to the already existed 'White imperialism' (*Ibid*, vol. 80, 28 August 1968, col. 396). Lanka SamaSamaja Party (LSSP) condemned the step taken by Russia in invading Czechoslovakia. N. M. Perera viewed that the invasion was so wicked that even America would not have committed something like that (*Ibid*, col. 404).

Prime Minister Dudley Senanayake found the invasion of Czechoslovakia by the Soviet as an opportunity to criticise the opposition which charged him being so mild on the war in Vietnam. Therefore, he used the situation to justify his policy and show that it was not-aligned to any power

She (Mrs Bandaranaike) said, "U.S. forces", but I would like to have it as "foreign forces". My proposal is this: the immediate withdrawal of all forces from Czechoslovakia, of foreign forces from Vietnam, and Israel to get back to her territory as before the war (*Ibid*, col. 431).

He further added that;

So, as far as the Vietnam question is concerned, if you look honestly and sincerely at the positions we have taken up, you have to agree, and you must agree, that we have not departed from the policy of non-alignment in this matter (*Ibid*, col.433).

Ceylon's leadership was happy with the UN's role in the Czechoslovakian conflict. Prime Minister told the Parliament;

Look at the events in Czechoslovakia. I do not say the United Nations played a part in it. But see the difference between what happened in Hungary and what happened in Czechoslovakia. World opinion had an impact undoubtedly. That impact resulted in a partial retreat from their original intentions by the countries that were the invaders. Not only the Western countries, but the

Communist parties of Western countries such as the French Communist party subscribed to this world opinion (*Ibid*, col.440).

Sri Lanka's stance on USSR's aggressiveness on Czech Republic was a mixed response; it could not directly condemn the great power but indirectly made it point to attack Communism. Also the Government challenged the SLFP to condemn USSR as it had done on USA. Small states like Sri Lanka were condemning the great power aggressiveness, but it did it carefully so as not to earn the wrath of the great powers. The bi-polarity offered some space for small states' voice too.

Relations with USSR, 1970-1977

Sirimavo Bandaranaike's relations with the USSR were a 'landmark in the history Sri Lanka's relations' abroad (Warnapala 2007: 79). During the period from 1970 to 1977 Sri Lanka- Soviet relations elevated into such a prominent level that "it had a profound impact on the development of the anti-imperialist and working class movement in Sri Lanka". The inclusion of Communist party (pro-Moscow wing) in the Government for the first time had been able to drag the SLFP towards a new era of foreign policy posture recognised as a 'radical neutralism' highlighting the fact that the Governments openly maintained close relations with the Communist countries, whereas the previous UNP regime had taken much caution and precaution on it. Communist countries were freely associated with Sri Lanka during this period. The position that Sri Lanka had taken toward countries facing conflicts due to the ideological opposition of the west over Communism bore much witness for Sri Lanka's sympathy for the ideological rivalries of the USA-led western alliance. For instance, Prime Minister told that the People of South Vietnam expressed 'sincere and propound gratitude to the Sri Lankan people for the valuable sympathy and support they have always reserved for' their 'national salvation' (*CDN* July 29, 1970 cited in Warnapala 2011: 84-5).

In 1969 a Parliament delegation of the USSR arrived in Sri Lanka on the invitation of the Sri Lanka's Group of Inter Parliament Union. This delegation expressed that the experience of their visit to Sri Lanka had 'confirmed the beneficial result flowing from the direct contact' between the two countries (Warnapala 2011: 86). The number of diplomatic exchanges between the two countries had increased in the 1970s. In 1974 Mrs

Bandaranaike visited the USSR for the third time since 1963. The cooperation between the two countries improved across many fields such as science and education, art and literature etc.

In 1972 Sri Lanka signed an agreement with the USSR on the drilling of oil wells in Sri Lanka. Under this agreement USSR was given to explore oil in the North Western Coast in Pesalai and two wells were dug in that area by them. Some of the events that highlight the foreign relations between the two countries, as prepared from the account on such relations by Warnapala (2011), is given below.

1. Visit to USSR by Mrs Bandaranaike in November 1974, her third visit.
2. The third All union Conference of the Soviet-Sri Lanka Friendship Society held in Moscow on December 23, 1971.
3. Visit by Soviet Naval Chief Admiral Smirnov on goodwill mission in April, 1972
4. Visit by a Trade Mission led by I. T. Grishan, Deputy Minister of Foreign Trade
5. In 1973 ceremony held to mark of the reception of 22 nine-ton lorries at by the Ministry of Housing and Construction, Pieter Keuneman
6. Visit by a delegation of the Comsomol Central Committee to participate in the 6th Congress of All Ceylon Federation of Communist and progressive Youth Organization, Communist Party of Sri Lanka in 1973
7. USSR purchased 7.6 million Lbs of tea at the auction held in Colombo.
8. Visit by a Sri Lankan delegation to Moscow to take part in the World
9. USSR promised financial assistance of Rs. 1.9 million as a loan for the construction of a flour mill under an agreement signed in 1973.
10. A Soviet prospecting visited Ceylon to assist the Government in the exploitation of natural resources.
11. A group of Ukrainian arrived in Ceylon to assist fisheries industry and Oceanography in 1973
12. In 1973 USSR rendered aid to the extent of Rs250 million
13. 37 Soviet experts visited Sri Lanka for oil and gas exploration in 1973
14. Sri Lanka imported raw cotton from USSR under an agreement signed in 1974
15. Soviet Naval ship visited Sri Lanka on a goodwill visit in 1973

16. Sri Lanka imported 50 tractors and trailers under an agreement signed in 1973.

In the context of Sino-Soviet rivalry too Ceylon was able to win the goodwill of both countries during Mrs Bandaranaike's regime. Mrs Bandaranaike clearly told the Soviet officials that Sri Lanka's relations with China did not mean that "Sri Lanka is pro-China: for that matter, we are pro-nobody. We are friendly with all the countries" (From the notes of WiswaWarnapala cited in Warnapala 2011; 90). If USSR thought that Sri Lanka was following anti-USSR policy by being friendly with China, Mrs Bandaranaike told that 'it was a misunderstanding' and Sri Lanka was 'friendly with everybody. She further stated that Sri Lanka was grateful to the USSR for the assistance it had given to the country' (Warnapala 2011: 91).

Sri Lanka within USSR Strategy

The great power USSR liked the role played by Sri Lanka in preventing the great powers using the Indian Ocean for military activities. And in the same time in bi-lateral negotiations between the two countries, the USSR showed the tendency to concentrate more on international issues and wanted Sri Lanka to follow its lead mostly. A major instance for such behaviour of the USSR was the visit of Mrs Bandaranaike to the USSR in 1974. The USSR wanted to include 'the question of the 10 percent reduction of military budgets of the permanent members of the United Nations' in the joint communiqué issued by Sri Lankan Prime Minister and USSR in 1974 at the end of Mrs Bandaranaike's visit. At this instance Sri Lanka did not like to include that point in the joint communiqué. Here 'Sri Lanka argued for the removal of this section, and this contentious issue was solved' somehow. In this communiqué the two countries The USSR appreciated the non-alignment policy of Mrs Bandaranaike's Government.

Relations with USSR after 1977

The UNP was always an anti-Communist political party and once they got into power they made it a priority to uproot communist propaganda and weaken its activism on the ground. The policy of the UNP regime of J.R. Jayewardene was vividly explained by a parliamentarian in 1978 participating in the Debate on Appropriation. As he stated it

more bluntly though the UNP ‘did not play hide and seek with Communism. It had condemned that philosophy and the UNPers were never Communists’.¹³⁷ Further he said that according to the philosophy of the President Jayewardene, the UNP Government was committed to ‘uphold the principles of democratic socialism’ (*Ibid*). In his speech he implied that the Communist countries had ruled their people as if they were controlling a flock of sheep and their liberty was not guaranteed for them. He said the UNP Government ‘did not want to enslave the people and them into an obedient flock of sheep’; these remarks clearly implied that the UNP Government created phobia of Communism and it did not want to belong to or associate with the ideological camp of it. Many senior members of the UNP Government, in their speeches in Parliament, often hinted at the drawbacks of Communist.

The UNP regime had a less favourable attitude toward communist countries and did not try to associate with them much, however it maintained a different attitude toward China which had turned its economic direction toward liberal market. The typical UNP regime’s attitude toward Communist powers was revealed by a speech by Ranil Wickremasinghe, one of the Deputy Ministers in 1982; while citing from a newspaper he attempted to show that Communist countries were losing in the international arena in terms of economic power etc. Yet, the opposition members suggested the Government that it should buy oil from the COMECON countries. Nevertheless, media had begun to highlight the decline of the communism at this juncture.

The Communists are struggling to balance their books. When energy prices rose, the Communist countries, with the exception of Yugoslavia, turned to Russia for help. For a while they obtained cut-price energy. But in return they had to export the consumer goods that they needed for their own markets. Then, two years ago, the energy supplies from Russia began to dry up. The loans from the west for the huge investments on the seventies were still being paid off. Interest rates rose, and priority went to debt repayment, because new loans were needed urgently. And so the long downward spiral continues as the communist countries struggle to balance their books (*Sun*, 2 Nov 1982).

The UNP was realistic to see that the Communist powers were waning in power. Therefore, the UNP regime further aligned itself with the West and the western capital

¹³⁷*Parliamentary Debates*, 2:5, 1978 November 22, col. 1066.

market for development aid and other financial requirements. Nevertheless, at the death of President Leonid Ilyich Brezhnev, Sri Lanka parliament expressed its condolence to the Soviet Union. R. Premadasa in his condolence speech mentioned that “significant developments in the trade and economic fields too were witnessed during’ the period of late Brezhnev. Soviet Union had assisted Sri Lanka in many fields in steel production, flour, rubber productions, and several other assistances came from the Soviet Union (*Parliamentary Debates*, 21:17, 26 November 1982, col. 1939).

Foreign Minister also appreciated the service of Brezhnev:

President Brezhnev believed in the vital importance of peace for mankind’s survival and progress. The great powers, especially the two foremost among them have accumulated, as you know Mr Speaker, a deadly arsenal of weapons, nuclear and conventional, and it was his genuine desire that no effort should be spared to prevent an armed world have spelt the total destruction of the human race and of civilization as we know it (*Ibid*, col. 1950).

The UNP never were politically close to communist countries, but it sought economic and military assistance from them. Also it had realistic judgement over the real influence these major powers and kept them close with diplomacy and never wanted them to drift away from its policy of engaging them in country’s strategy of playing safe in the shadow of their power in the regional setup. The next sections analyses Sri Lanka’s relations with china from 1956 to 1983 under the five Governments which held power shifting each other then.

3.3.2. Sri Lanka-China Relations, 1956-1983

This section analyses Sri Lanka’s relations with China to observe how Sri Lanka’s relations with China particularly became as a closer ally in the spheres of politics, diplomacy, trade, aid and financial relations despite the fact that regional India had developed a rivalry with China, particularly after Sino-Indian crisis in 1962.¹³⁸ While

¹³⁸ According to SanjiveSokinda, in *India’s Strategy for Countering China’s Increased Influence in the Indian Ocean*, “1962 war with China, as well as continued border disputes with China and Pakistan” compel “India to counter China’s growing” influence of it in the region, but particularly the “maritime influence”.

See

[Online]

URL:

http://www.defence.gov.au/ADC/Publications/IndoPac/Sokinda_IPS_Paper.pdf, accessed 15/7/2016.

China's assistance was very often sought by the SLFP regimes which also maintained 'non-alignment' following India, the UNP tended to view China mostly as a trading partner. But, after 1977, Sri Lanka attempted to strengthen relations with China, particularly in terms of 'military cooperation',¹³⁹ since India was playing an aggressive role vis a vis Sri Lanka in the context of growing ethnic conflict in the country. India's small neighbours "view good ties with China as a way to serve as a counterweight to Indian dominance in the region" (Curtis 2016:7).¹⁴⁰ Mohan (2015) points out that "in the late 1960s, Prime Minister Indira Gandhi asked all major powers to withdraw from the Indian Ocean out of concern for great power rivalry".¹⁴¹

Sri Lanka was for 'one China policy' and it maintained that policy under all governments. It is also assumed that Sri Lanka's engagement with China was part of its regional strategy for assuring a close ally in case India was going to add pressure on the small state. In this section we discuss Sri Lanka-China relations under two sub-periods; 1956-1977 and 1977-1983.

Sri Lanka-China Relations, 1956-1977

Bandaranaike Government considered China as an important country and gave priority in making diplomatic relations with it. As N. M. Perera, a prominent leftist in the coalition Government pointed out in Parliament on 7th March 1957, "The Embassy in China" was then "going to have a very onerous task - more onerous than that of the Embassy in

¹³⁹ In "Sri Lanka: Beijing's Growing Foothold in the Indian Ocean" Vijay Sakhujia points out this aspect of Sri Lanka's policy toward China during the Jayewardene regime in the early 1980s. See *China Brief*, Volume: 9 Issue: 12 URL: http://www.jamestown.org/single/?tx_ttnews%5Btt_news%5D=35119&no_cache=1#.V4ge5_197IUhttp://www.jamestown.org/single/?tx_ttnews%5Btt_news%5D=35119&no_cache=1#.V4ge5_197IU accessed 15/07/2016.

¹⁴⁰ Lisa Curtis mentioned this in her address at the "the U.S.-China Economic And Security Review Commission", 114th Congress Second Session, Thursday, March 10, 2016, Web: www.uscc.gov united states-china economic and security review commission Washington

¹⁴¹ See, "Revealed: India's Master Plan for the Indian Ocean" by C. Raja Mohan in *The National Interest*, [Online web] URL: <http://nationalinterest.org/blog/the-buzz/revealed-indias-master-plan-the-indian-ocean-13198>, accessed 15/7/2016.

Japan” (*HRD* vol. 27, 7 March 1957, col. 2077).¹⁴² Bandaranaike Government had ‘rescinded’ the ban on the import of literature and films from communist countries.¹⁴³ Prime Minister had instructed the controller of imports and Exports that all books be permitted to the island and if anything suspicious was found, to refer them to him personally (*HRD* vol. 27, col. 2743-44).¹⁴⁴ Therefore, it is with a positive note that Ceylon opened up relations with all Communist countries, despite the ideological rivalry among the two great powers and its possible repercussions on the small state.

Bi-lateral Trade with China

Since 1952 Ceylon had relied much on the Chinese market for selling its rubber produce. According to Treaty series No 8 and 9 of 1957, another agreement was reached between the Government of Ceylon and the Government of the People’s Republic of China. Bandaranaike spoke on this Agreement in Parliament on 3rd October 1957. This was a general agreement which provided the two parties to undertake exchange of goods between each other. The agreement was for a period of five years and contained two Schedules. Under Schedule ‘A’ a list of export commodities from Ceylon to China was mentioned, while Schedule ‘B’ enumerated a list of commodities from China to Ceylon. Further the agreement included Schedules ‘A1’ and ‘A2’ that explained the position on rubber, and Schedules ‘B1’ and ‘B2’ referred to various articles to be imported from China. Accordingly Ceylon had the opportunity export to China an amount not less than 30,000 tons of sheet rubber and to import not less than 200,000 tons of rice. They were the minimum quantities (*Ibid*, vol. 29, 3 October 1957, col. 679). This transaction, as Bandaranaike explained, had an annual margin of profit calculated at 17 ½ million. Ceylon would buy some of the materials it required covering this amount. Schedule 8 mentioned those items which Ceylon was to buy; namely, coal, cement, dried chillies, garlic, potatoes, onions, and other commodities. However, under this agreement China

¹⁴²Speech of N.M.Perera.

¹⁴³ In “CEYLON RESCINDS BAN; Communists Get Permission to Import Red Literature”, *The New York Times*, June 2, 1956 [Online Web] URL: http://www.nytimes.com/1956/06/02/archives/ceylon-rescinds-ban-communists-get-permission-to-import-red.html?_r=0, accessed 15/7/2016.

¹⁴⁴ Leftist MP Peter Keunaman raised issue in Parliament regarding some barrier still his party was facing in receiving literature from China.

was not able to pay Ceylon a premium price for its rubber as there were other sources of supply. Therefore, the prices of rubber were fixed at world market prices in terms of the Singapore price (*Ibid*, col. 680).

Ceylon-China bilateral trade agreement was further extended under Dudley Senanayake's Government. From 1960 to 1966 rubber and rice exchange was carried out and the following are the quantities traded by the two countries.

Table: 3: 2 China-Ceylon Rice & Rubber Trade, 1960-1966

Year	Rubber Quantity Mt	Rice Quantity Mt
1960	17,000 (+5000 supplementary)	160,000 (+24,500)
1961	31,000	200,000
1962	31,000	200,000
1963	33,000	200,000 (+30,000 outside contract)
1964	35,000	200,000 (+30,000 outside contract)
1965	38,000 (+8,000 in settlement of the trade balances of 1963 & 1964)	200,000 (+25,000 outside contract)
1966	41,000 (+2000 in repayment of 1958 loan and 10,000 on supplementary contract)	200,000

(Source: *HRD* vol. 71, 21 January 1967, col. 185-6; extracted from the speech of S.S.A.Peeris, Minister of Commerce and Trade)

The Trade and Payments Agreement between Ceylon and China was signed on 03rd October 1962 and it was annually renewed. According to the 1967 Protocol the Agreement was for China to buy 48, 000 metric tons of rubber, while Ceylon would import from China 200,000 metric tons of rice. Apart from these two major commodities the countries agreed to trade between themselves several other products that would have a total value of 140 million rupees.

Chinese Aid

Treaty Series No 9 of 1957 referred to 'certain economic aid' that the Government of Peoples Republic of China agreed to provide for Ceylon. Bandaranaike called Chinese

aid as ‘generously offered’ for ‘promoting friendly co-operation and strengthening friendship between the two countries’ (*Ibid*, col. 681). As per this agreement China provided ‘a sum of Rs 75 million for rubber rehabilitation at the rate of Rs. 15 million per year, for a period of five years’. This aid was to be provided not in cash but in materials. Bandaranaike thanked the Chinese Government and told it had ‘displayed willingness to be as helpful as possible’ (*Ibid*).

Political Relations with China

In general, as discussed above, after Bandaranaike’s death in 1959, Ceylon continued to maintain one China policy under even under W. Dahanayake, care taker Prime Minister. Ceylon did not accredit representation for Taiwan. F.R. Dias Bandaranaike stated Ceylon’s policy on China clearly.

As far as we are concerned, there is only one Republic of China which the Government of Ceylon recognizes and that is the People’s Republic of China which has diplomatic representation in this country and in which we happen to have diplomatic representatives of our own (*HRD*, 4 November 1960, col.571).

Also in case of the issue of Taiwan, Ceylon maintained that “...whether Taiwan has a separate sovereignty or not was an issue we have never accepted it, nor shall we accept it” (*Ibid*, col.571). The UNP and the SLFP bore different viewpoints regarding China’s invasion of Tibet in 1959. The UNP’s J.R. Jayewardene pointed out the non-uniformity of Ceylon’s policy regarding major power aggression of small states. He stated that in the cases of Cuba or Maldives Islands, Congo and etc. Ceylon felt ‘annoyed’ when the powers like USA and the Britain attempted to use their pressure on them, but not in the case of Tibet. He questioned “why should we not equally feel annoyed when a great, big and powerful nation- the Chinese people- seeks to suppress a small nation...?” (*Ibid*, 15 November, 1960, col. 1936). On the other hand, the opposition questioned the position of Mrs Bandaranaike and her Government on the issue of Tibet, ‘particularly, she being a Buddhist and when two other countries, Malaya and Thailand were taking up the issue in the UN’ (*Ibid*). This was again another issue for the opposition to test the neutrality of the Government over the international affairs. China offered to build a textile mill in Ceylon.

Sri Lanka and Sino-Indian Conflict

Sino-Indian issue provided Ceylon to showcase its commitment to solve a dispute between the two Asian powers, India and china. Ceylon's relations with these two regional powers remained at a high stage during this period. In fact it seemed that Ceylon faced a dilemma over its role in approaching the situation to prevent the conflict from escalating into critical stages. With the mediation of Sri Lanka the Colombo Powers conference was arranged to discuss this issue. The effort of Ceylon as a non-aligned nation was a historic one since it was first of such attempts to solve conflict of such nature by a group of nations (Korany 1976: 389). However, as some argue India's expectations were not matched by this conference of the six-non-aligned nations (*see* Srivastava 1995).

Nevertheless, Mrs Bandaranaike interpreted Ceylon's 'mediation' in Sin-Indian conflict as one of the "the highest of Ceylon's efforts in seeking to achieve its foreign policy aims" (*Hansard* (Senate) January 23, 1964).¹⁴⁵ However despite the efforts taken by her Government, it faced several criticisms over its failure to 'condemn Chinese aggression and to take the side of India' (*Ibid*). Second, the criticism came over the choice the countries included in the Colombo conference to discuss the Indo-China problem. Mrs Bandaranaike replied to her critics that if she had taken any side in this issue it would have been impossible for Ceylon to mediate as a peace broker. Moreover, she reasoned that as a non-aligned country, Ceylon had followed the same policy in this issue too. She put it straight stating "...non-alignment does not mean an alliance or identity of interests between such countries as call them non-aligned" (*Ibid*, col.2405).

India and China had issues over their border and it was difficult issue that could be offered solution by a small state. Colombo proposals did not want to be weighted in favour of any of these powers. When the Colombo proposals were first introduced there came the criticism that it favoured China, but India accepted them later on. Chinese

¹⁴⁵Also cited in "The Foreign Policy of Sirimavo Bandaranaike - The Colombo Powers and the Sino-Indian War Of 1962" [online] URL: <http://info.lanka.asia/sri-lanka/people/the-foreign-policy-of-sirimavo-bandaranaike/the-colombo-powers-and-the-sino-indian-war-of-1962> accessed 15/7/2016.

Government, meanwhile stated that if it had agreed to the proposals *in toto* it would have given the Colombo powers the position of arbitrators more than the mediators.

Chinese president Chou En-Lai expressed his gratitude to Ceylon for its initiative on holding the Colombo powers Conference for finding a settlement for the Indo-China problem. Chou En-lai in his message said that he sincerely admired and thanked Mrs Bandaranaike for her 'repeated efforts to seek a peaceful settlement'. And she further sought that the 'meeting proposed by ' Ceylon "would urge the Indian Government to respond positively to the Chinese Government's initiative measures of ceasefire and withdrawal and agree to sit down with China at conference table to seek a peaceful settlement of the Sino-Indian boundary question" (*Ibid*, col.2407).

When the Colombo powers started the Conference on 10 December 1963 to discuss the India-China boarder conflict again, the Chinese Presidents sent a message of greetings to the Conference. In this message he stated that the conference would contribute to promote direct negotiations between China and India. Even though, Colombo Powers could not yield much for conflict resolution in the region, it boosted Ceylon's image as a mediator. Later on, Ceylon entered into a shipping agreement with China which was concluded in July, 1963. This agreement was beneficial for Ceylon in 'the transport of rice, textiles and other imports from China'. Thus Chinese material aid had always continued toward Ceylon and it was major feature of Chinese approach to Ceylon after 1952.

Stand for China's UN membership

Ceylon under Bandaranaike supported membership of China in the UN. Several members of the Government spoke in support China and they requested the Prime Minister to make a joint front in Asia for China's position in the UN system. One member of the House, Mr Themis raised his concern over China:

I request our Prime Minister to make a joint effort together with India and all other South-East nations in order to enable China to receive the membership of the UN. Those countries which are not paying attention to this concern must be pressurised to admit China into the UN. I think that

China's membership in the UN would help solve some international issues which have hitherto found no solutions (*Ibid*, vol. 32, col. 291).¹⁴⁶

Responding to this request, Prime Minister Bandaranaike accepted that China should be a member of the United Nations and told "we have always been pressing both outside and in the General Assembly as well as on the Committee of Security Council" (*Ibid*, vol. 74, 22 August 1967, col. 628). Dudley Senanayake rejecting all allegations that he had an anti-Communists attitude clearly stated that he supported China's entry into the UN. In his words; "If you ostracise a nation like China, a nation comprising about one-fourth the population in the world and keep it out of the comity of nations, how can you expect not to have any trouble" (*Ibid*). Further, the speech made by Ceylon's Permanent Representative of the United Nations in support of China's entry into the UN was cited by Prime Minister. Accordingly he had said that

It is our view that what this Assembly is now discussing is not the admission of a State as a new Member but the recognition of the accredited representatives of a State which is already, and has been for twenty-one-years, a Member of this Organization-indeed, A State which was a signatory of our Charter and which was a founding Member of the United Nations and, under the express provisions of the Charter, a State which is a permanent member of the Security Council (*Ibid*).

In 1966 also Ceylon's Permanent Representative of United Nations expressed of Ceylon's cooperation for China to gain UN membership;

It is an unquestioned and unquestionable right of every sovereign government, acting in the exercise of its own sovereign rights, to recognize or not to recognize, for valid or invalid reasons, another sovereign government. We do not question that. We do, however, question the right of any government, however powerful and influential it may be, to attempt to inject into this Assembly of independent sovereign states considerations which, though they may be understandable in the context not relevant to the matter now being debated (*Ibid*).

He further stated in the same speech that:

My Government approaches this matter essentially as one of the accreditation of the proper, the lawful and the only, representative of the Government of China. To us it is a simple question of credentials, in which there is nothing of constitutional, legal or political weight to warrant or

¹⁴⁶Speech of Mr Themis, (translated from Sinhala speech).

justify magnifying it into an ‘important question’ within the meaning of Article 18 of the Charter. For this Assembly to decide that it is, would be to pervert the true meaning, and indeed the original intent, of that Article (*Ibid*).

In accordance with what Ceylon’s permanent representative of UN had stated in two occasions, Prime Minister Senanayake emphasised that his Government had strongly supported the ‘seating of the People’s Republic of China in the United Nations’. Nevertheless, Ceylon under Dudley Senanayake was accused at time of maintaining relations with Chiang Kai-shek’s Government of Taiwan, but the Prime Minister had officially declared in Parliament that Ceylon accepted one China policy;

So far as we are concerned, there is only one China and that is the People’s Republic of China. So far as membership of the United Nations is concerned, the Government has taken the unequivocal stand that the People’s Republic of China must take the seat which belongs to China (*Ibid*, vol. 75, 21 November 1967, col. 2616).

Prime Minister further held that Ceylon Passports were not endorsed to visit Taiwan.

In keeping with our policy of recognizing only the People’s Republic of China, the Government does not endorse Ceylon passports valid for travel to Taiwan or recognize the travel documents issued by the Administration of Taiwan (*Ibid*, col. 2617).

Despite the fact that Ceylon did not have political relations with Taiwan, it continued trade relations with it. Prime Minister said that though his Government was not prepared to sign any trade agreement with Taiwan, it should not be taken to mean that the Government avoided purchasing products originating from that country. The Prime Minister stated clearly that “the national interest requires that we buy from whatever is the cheapest source”. From 1956 to up to 1966 Ceylon had continued to buy sugar from Taiwan.

Meanwhile the Taiwanese boxers participated in the Asian Boxing Championship held in Colombo, sponsored by Lake House newspaper the *Ceylon Daily News*. Prime Minister Dudley Senanayake had interpreted this as a privately organized event and the ‘Government of Ceylon had nothing whatsoever to do in the matter’. Despite Prime Minister’s denial of not sponsoring Taiwanese on Ceylon at the Government’s expense, the opposition showed that in this sport event at the Asian level state, media such as the

Ceylon Broadcasting Corporation (CBC), the State Radio, which was directly under the Prime Minister as the Minister of Information and Broadcasting referred to the Taiwanese boxers as participants from “The Republic of China” (*Ibid*, 20 December 1967, col. 4146). Prime Minister in his reply to the criticism of alleged tacit approval of the CBC’s reference to Taiwan as “The Republic of China” clarified once again the government’s policy toward China.

The stand of the Ceylon Government that it recognizes only the People’s Republic of China and does not recognize Taiwan or the “Republic of China” had been made clear to the broadcasting authorities (*Ibid*, col.4153).

UNP’s policy towards China though declared to be friendly was not straightforward. Even the above statements mostly depict that Ceylon under Dudley Senanyake had done what China did not like to happen in Ceylon, such as marinating relations with Taiwan. Therefore when Mrs Bandaranaike was elected in 1970, it was “a welcome development to Peking, which had some difficulties in its relations with the pro-western regime of former Prime Minister Dudley Senanayake”.¹⁴⁷ Therefore, under Mrs Bandaranaike Sino-Sri Lanka relations entered a new phase. But, due to Marxists led Maoists styled rebellion in 1971 there was the danger of creating misunderstanding between the two states (*see* Garver 2010: 302). However, soon after that, Ceylon-China developed their relations to new heights. Mrs Bandaranaike paid a state visit to China in 1972 and it resulted in dispelling all the misunderstanding that two countries had during the conflict in Ceylon in 1971. China’s major issue in the conflict was Ceylon’s approach to seek help from world over, from the UK and USA (*HRD*, 20 December 1967, col. 4153). The Communist Power simply had not liked that the small state turn much toward the ‘bourgeoisie’ powers. Nevertheless, the period from 1970 to 1977 marked a ‘pro socialist’ era for the development of Ceylon-China relations.

The following table (4.2) shows the financial assistance provided by China after 01st June 1973 in terms of long term loans without interest and loans with a grace period.

¹⁴⁷See, “China's Dilemma in Ceylon”, Radio Free Europe Research, April 20, 1971 <https://www.marxists.org/history/erol/sri-lanka/china-ceylon.pdf> accessed 23/7/2016.

Table: 3:3, Loans from China Received after 01st June 1973

Amount Rs Million	Date of Agreement	Interest	Period of Repayment	Purpose
265.0	1972.06.29	No	After 10 yr grace period within 20 years	For spending on all projects
48.0	1972.06.29	No	After 09 yr grace period within 10 yrs	Spending on a joint factory
5.57	1972.09.16	No	After 05 yr grace period and within 10 yrs	For purchasing a ship carrying dry goods
5.53	1972.11.21	No	After 05 yr grace period within 20 yrs	For purchasing a second ship carrying dry goods
11.93	1972.12.16	No	After 10 yr grace period within 20 yrs	For <i>Parivarthy</i> Finance

Source. *HRD*, 1973.

Relations with China, 1977 -1983

As Garver (2010:303) points out ‘geo-political factor returned’ to Sri Lanka’s foreign policy during the 1980s. Therefore, Chinese connection, particularly after 1983 becomes very important from a strategic point of view. The UNP knew the strategic significance of relations with China and had different reading about Chinese communism. On the other hand, it always saw China as a positive buyer and aid giver. R. Premadasa, as the Prime Minister of Sri Lanka, visited China from 13th to 20th August on the invitation extended by the Chinese vice Premier who visited Sri Lanka in 1978. In this visit Sri Lankan delegation expected to have ‘closer understanding’ about the ongoing changes in

the domestic economy of China. Premadasa met Chairman Hue and several other leaders and had discussions on bi-lateral Trade and Aid. Premadasa spoke very positively about the ongoing changes in Chinese Agriculture, Light Industries, Science and technology and National defence areas. He further told the Sri Lankan Parliament that China had opened doors for foreign investment and was following a very liberal policy on private investment. During this visit Sri Lanka was able to secure financial aid from China; it agreed to provide a long-term loan in a sum of 50 million Yuan (Rs. 500 million) to Sri Lanka. Sri Lanka's Prime Minister considered the financial assistance from China as 'an indication' of the Chinese's Government's 'desire to continue the cordial relations between the two countries'. This loan was given interest free and payable in 20 years period with a ten year grace period; and Sri Lankan Prime Minister believed that China would 'convert it into a grant' (*Parliamentary debates* 1978). During this visit to China by Sri Lankan Premier Sri Lanka could work out a cultural agreement with China too, which was long overdue according to him.

In the 1980s under the UNP regime which was following pro-liberal capitalist economic policy in the country which was usually having a pro-Western outlook of foreign policy, Sri Lanka developed very cordial relations with China too. As China was entering into liberal market economic reforms, Sri Lanka clearly saw it as an opportunity to expand its trade and economic relations with it, despite the fact that it had a history of having very reluctantly entered relations with China in the past.

3.4 More friends: Expansion of Relations, 1956-1983

After 1956 Sri Lanka expanded its relations beyond the UK and Commonwealth. This time around, as an independent state, it was launching and testing a quite indigenously-oriented foreign policy for the first time. Structurally, the regional power India under Nehru was emerging significantly as a 'normative leader'¹⁴⁸ of world politics then, and Ceylon was drastically influenced to follow India's foot-steps in its foreign policy.

¹⁴⁸ Acharya (2005: 9) makes this point which is a 'constructivist argument' as shown in Kai He, Huiyun Feng (2013) *Prospect Theory and Foreign Policy Analysis in the Asia Pacific: Rational leaders and Risky Behavior*, New York, London, Routledge, p.24.

Particularly, as Rothstein (1977) argues, India Influenced non-alignment had provided a “rational choice” for the small state “for it had always been a sanctioned tactic within bipolar systems” (p. 114). Thus, as we see in this section, the direction of Sri Lanka’s external policy shifted from the UK to India in this period, from being-a pro-West and anti-Communist state to a non-aligned and non-ideologically defined external policy; yet, some argue Sri Lanka also adopted socialism to a certain extent. For instance, De Mel (2008) makes this point quite emphatically as follows.

The government which assumed power in 1956, a centre left based coalition adopted the Soviet type of central planning system where the State played a major role in the decision making of the economy and thus exhibited a major deviation in the political and economic ideology it held as opposed to the UNP (De Mel 2008: 43).¹⁴⁹

Nevertheless, Ceylon did not want to lose its traditional relations with the UK and the Commonwealth as we have already seen above. On the other hand, it strengthened relations with India while attempting to keep contact with Pakistan and other regional members as well. Ceylon was idealistically attempting to balance its relations with the East and the West while also keeping the regional power happy.¹⁵⁰

Ceylon was aided by several states and international organizations when the entire country was hit by a cyclone in December 1957. At a time when there was no instant communication systems like the internet etc. the world knew about Ceylon because it had developed relations with them. The following table depicts the details of the aid received from various destinations.

¹⁴⁹ See *Economic Review* [Online Web] URL: [http://dl.nsf.ac.lk/bitstream/handle/1/14327/ER-34\(9\)_43.pdf?sequence=2](http://dl.nsf.ac.lk/bitstream/handle/1/14327/ER-34(9)_43.pdf?sequence=2) accessed 16/7/2016

¹⁵⁰ Particularly under Mr Bandaranaike Sri Lanka was having a ‘utopian’ leader who drastically changed both the direction of the polity and the external policy of Sri Lanka after 1956. *See* Manor (1989).

Table: 3:4, Disaster Aid received in 1957¹⁵¹

Country/Organization	Value/kind of aid
Asia Foundation	Rs. 23,000 in a cheque
Australia	£11000 (material aid)
Burma	300 tons of rice and 5,000,000 yeast tablets
Canada	Medical supplies totaling Rs. 185,000.00
CARE (American organization)	202,000 lb flour, 2,500 blankets
China	Yen 80,000, another 20,000 through Red Cross, doctors etc.
Ethiopia	£ 7,000 from the Emperor
France	10,000 tons of food
Germany	Relief supplies worth Marks 100,000
ICTU	\$ 1000.00
ILO	Sent its staff for assistance
India	Air Crafts, two air loads of supplies and Rs. 50,000
Israel Embassy in New Delhi	Asked its Govt. to send aid ,Food etc.
Italy	47 food packages, medicines, blankets etc. valued at Rs. 6,500
Japan	Assistance to the value of US \$10,000.00
New Zealand	Sending milk products etc
Netherlands	Donations valued at Rs. 50,000
Pakistan	Donations through Red Cross
Singapore	Medical supplies, milk food etc. to value of \$10,000.00
Syria	Wheat flour and cement
The King of Saudi Arabia	£ 5,000
UK	Assistance and medical supplies worth of £ 10,000.00 ,

¹⁵¹, *HRD* vol. 30 part 2, 09 January 1958, cols. 2759-61. From the information presented by Stanley de Zoysa.

	10, pkts of emergency rations
USA	10,000 tons of wheat flour, and helicopters
USSR	Rs.1 million worth assistance
Vatican	Ten tons of rice flour
Several other individuals and countries	Clothing etc.

The nature and amount of aid received by Ceylon stands for witness to the expansion of foreign relations beyond the capitalist bloc and the trust among states toward it. Governor General's speech in 24 June 1958 also referred to the assistance provided to Ceylon by several states in the world.

The readiness and the generosity with which many countries came to our assistance in connection with the floods of last December are convincing proof of the friendly relationship between Ceylon and other countries of the world, resulting from the foreign policy of My Government^{HRD} vol. 31, 24 June 1958, col. 286).¹⁵²

During the first two years of Bandaranaike Government there was a drastic improvement of gifts in kind and gifts in money received by the country compared to period from 1948 to 1955. However these two years had recorded a less amount of loans from foreign countries (*Ibid*, cols. 4875-76). Ceylon's international relations under Bandaranaike had been concerned with five major regions and international bureau. The five 'broad regional bureaux' and the international bureau were; 1. The two Americas; 2. Europe; 3. Middle East and Africa; 4. Commonwealth; 5. Asia; and 6. The United Nations.

Table 3:5. Foreign Gifts in Kind, Money and Loans, 1948-1957

Year	Gifts in Kind Rs.	Gifts in Money Rs.	Loans Rs.
1948/50	34,769	-	
1951	316, 832	-	
1952	15,072,523	3,287,000	
1953	15,213,483	3,287,000	
1954	30,859,047	1,261,115	66.67 million

¹⁵²Speech of Governor General,

1955	20,118,556	1,327,862	91.00 million
1956	26,384,202	4,814,407	
1957	42,919,500	4,750,000	11.90 million

Source: *HRD* vol. 31, 24 June 1958, col. 286.

The post-1956 Ceylon “entered into trade agreements with several countries” including “the Government of Bulgaria, China, Czechoslovakia, Egypt, Germany, Hungary, Ireland, Italy, Japan, the Maldives Island, Pakistan, Poland, Rumania, Spain and Yugoslavia” (*HRD* vol. 28 session 1957-58, col. 4). Ceylon’s delegation at the UN had worked for the promotion of peace and friendly relations between nations, the settlement of disputes by negotiation and the demand for freedom of the subject people (*Ibid*). Also the state visits paid by the three powerful leaders of Asia, China, Japan and India assured Ceylon of international recognition for its new policy deviating from the UK’s shadow in foreign relations. Further, “Ceylon had mainly established diplomatic relations with Union of Soviet Socialist Republics, the People’s Republic of China, and Canada” during this period (*Ibid*).

Other Communist Countries

UNP’s criticism on Mrs Bandaranaike’s foreign policy was that her Government was too close to Communist bloc rather than to the democratic countries like the USA and the UK. He asked the Government to “follow the democratic principles of America and the democratic principles of the United Kingdom” (*HRD*, 41, col 459, 3 Nov 1960). However he also praised that the Government of Mrs Bandaranaike had attempted to follow ‘neutral’, ‘positive’ and ‘uncommitted’ policy in its ‘international policy’ (*Ibid*, 41 col. 459, 3 Nov 1960).

In the field of economic development Ceylon sought mutual cooperation from Czechoslovakia. In this regard a deputation from Ceylon visited that country and had negotiations with it. Ceylon was able to make an agreement with Czechoslovakia and as per this arrangement Ceylon was to receive ‘long-term credit facilities for the purchase of capital good from that country’ (*HRD*, 27, sessions 1956-57, 11 Dec 1956, col. 771).¹⁵³ This arrangement for buying capital goods with the credit facilities provided on at 3

¹⁵³Speech of P.H.W de Silva

percent interests extending over a period of eight half-yearly instalments. As for repayment of the credit Czechoslovak Foreign Trade Corporation agreed to purchase produce from Ceylon to value of the receipts of capital goods (*Ibid*).

Further, according to Article 07 of the agreement, Ceylon was promised technical and expertise assistant. In relation to the Trade Agreement with Czechoslovak government, a payment agreement was also signed on 13th March 1956. This agreement was aimed at assisting the smooth flow of trade between the two countries as it had provided reciprocal credit facilities to limit of £ 500,000 for each party to make payment or buy goods (*Ibid*, col. 772-73). Czechoslovakia offered Ceylon scholarships in several fields of study in 1960; Nuclear Physics, Geology and Prospective Mining, Power Generation and various other Science subjects (*Ibid*, 39, 06 April 1960, col. 69-70). Leftists in the Government were criticized by the UNP for trying to hang on the government “to the coat-tails of the Soviet Union” (*Ibid*, 3 November 1960, col. 461).

Treaty Series No.08 of 1956 relating to the Trade and Payments Agreements between the Government of Ceylon and the Government of the People’s Republic of Rumania was tabled in Parliament on 11th December 1956 (*HRD* vol. 27, col. 773). Also the Treaty Series No. 09 of 1956 relating to the exchange of notes between the Government of Ceylon and the Government of the Federal Republic of Germany for Technical Cooperation was presented for the approval of Parliament on the same day (*Ibid*). Thus in the post-1956 period had explored the entire Communist world for relations. Next section turns analyse relations with some non-Communist and strategically significant powers.

Relations with Japan, West Germany, Canada

Ceylon received Japan’s assistance in agricultural production. In 1960 Japan had proposed to assist with expertise in rice growing in Ceylon (*Ibid*, 39, 15 November 1960, col 1920). Japan offered to assist the process of economic development of Ceylon during the regime of Dudley Senanayake. Japanese envoy, Iyuchi Noida, member Japanese House Representative participating in function organized by Japan-Ceylon Friendship Society in Ceylon in July 1965, expressed his country’s willingness to assist the economic development of Ceylon(*Irida Lankadeepa*, 1965 Aug p.01).

During the regime of Dudley Senanayake West Germany aided Ceylon to establish a Television Corporation, but considering the limitations of such a project Ceylon used that aid to develop its Radio Channel in the CBC. Also with the involvement of Parliamentarian R. Premadasa West Germany established Fedrick Ebert Stiftung Center for promoting democracy studies in Ceylon (*HRD* 80, 31 Aug 1968, cols. 566-7).

As a part of his visit to West Ceylon Prime Minister visited Canada. According to Ceylon Prime Minister Canada had an ‘impartial and objective attitude’ in dealing with the international crises of Egypt and Hungary. Canada as an important country in the Commonwealth nations was aggrieved that Ceylon had not sent a representative. Prime Minister of Ceylon in his conversations with Canadian and American leaders confirmed the view of Ceylon that ‘they should unconditionally withdraw their forces from Egypt’ (*Ibid*, vol. 27, col. 801). Regarding the clearing of the Suez Canal Ceylon held the position of the UN that it should be done under UN flag.

Prime Minister Dudley Senanayake paid a state visit to Canada in June 1965. He had negotiations with Canadian Prime Minister on Ceylon-Canada economic cooperation. Ceylon expected to develop land mass under water around Colombo with Canadian aid. Canadian Government and the CIDA assisted Sri Lanka in the AMDP by providing a sum of Rs. 1.2 billion for constructing Maduru Oya project (*Ibid*. vol. 7:3, 20 Nov 1979, col. 657-8)

Table: 3:6, Scholarships Received by Ceylon during 1957-1968

Country	Total
USSR	162
USA	67
India	55
Britain	151
Australia	52
China	06
Canada	31
Yugoslavia	10
New Zealand	24
Italy	08

Japan	41
France	15
Pakistan	12
West Germany	46
Europe	01
Czechoslovakia	26
Singapore	03
Philippine	07
East Germany	26
Hawai	21
S.Arabia	02
Seoraleon	01
Republic of United Arab	05
Hungary	02
Denmark	07
Hong Kong	02
Nigeria	01
Ghana	01
Sweden	01
Joint Scholarships	Not calculated

(Complied with data in *HRD* vol. 83, 04 January 1969, cols. 933-956)

The above table provided an indicator for Ceylon's growing relations with many regions. The number of scholarships granted under several programs speak much for the social relations, which was again dominated by USSR and USA during this period.

Relations with Middle East

Sri Lanka has long historical ties with the Arab world (Shukri, no date). As a friend of Arab countries Ceylon had to be cautious of the political development of Israel and relations with that country in any form. When Israel and Egypt engaged in conflict Ceylon Prime Minister stated in 1957 that

...owing to this aggression of Israel in breaking the armistice agreement of 1948, by an attack on Egyptian territory, held to be an act of aggression by the United Nations, led by the United States of America itself, I do not think that it is profitable for us to go into the question here as to

whether here was some earlier cause of Egypt not giving them permission to use the gulf of Aqaba or the Suez Canal (*Ibid*, vol. 27 on 21 March 1957, col. 2185).

It was clear in this statement that the Ceylon Prime Minister was not considering the issue of Israel beyond the decisions of the UN and the great powers like the USA.

Obviously, Ceylon's diplomatic relations with Israel was not on a sound footing. Though Israel wanted to send its representations to Ceylon, it was not accepted to the Government. Bandaranaike accepted that his decision of not sending a representation to Israel 'was affected by certain considerations made by 'a number of Arab countries and Egypt' (*Ibid*).

When W. Dahanayake took over as the Prime Minister at the death of Mr Bandaranaike in 1959, he accepted the diplomatic representation from Israel. Also he accredited Ceylon's representative to Rome as the representative of Israel (*HRD* vol.41, Nov 1960, col. 435). His action as the caretaker Prime Minister was seen by left parties as a move against the policy of his predecessor. However, Dudley Senanayake said that "the accreditation to Israel does not mean that our attitude to and our relations with the Arab States have undergone any change" (*Ibid*, vol. 39, 20 April 1960, col. 273). He pointed out "Our friendship and our feelings remain as cordial as ever" and reaffirmed that the "common objectives will be pursued in accordance with principles agreed on at Bandung" (*Ibid*). When Mrs Bandaranaike came to power in 1960 her Government did not accredit Ceylonese representations in Israel. She showed that her Government had to face 'special difficulties of the situation in the Middle-East' and the possible effect of Ceylon's relations with Arab countries (*Ibid*, 41, 3 Nov 1960, cols. 437-38).

The Jayewardene era saw an upturn in Sri Lanka's relations with the Arab world owing to the secret diplomacy of Jayewardene government with Israel. His Personal Envoy, M. H. Mohammad, Minister of Transport, was sent to the Gulf and Middle East region in February 1979 (*Parliament Debates* vol. 4:12, 23 March 1979).

He visited Saudi Arabia, Qatar, Abu Dhabi, and Dubai. During this period Sri Lanka was facing an acute shortage of crude oil due to the crisis in Iran. Saudi Arabia and other countries promised to supply the crude oil requirements of Sri Lanka. Sri Lanka could manage to receive a quantity of 418,000 tons of crude oil from Saudi Arabia without a

premium and at the lowest prices of OPEC countries during this period of crisis in the region and rising prices of oil. The Abu Dhabi Development Fund also promised to provide a grant of 35 million US dollars for the development of a fisheries project. Dubai expressed its interests in contributing for building and sewerage projects in Sri Lanka

The foregoing analysis points to the growing relations of Ceylon with many countries of the West. Under Bandaranaike the focus was on exploring the Communist world while engaging the West simultaneously. Sri Lanka's tilt to non-alignment gained much during the bi-polarity in terms of expanding foreign relations. Further, since non-alignment was the regional strategy of India, Ceylon could easily follow it up and be friendly with the regional power as well. The non-alignment as a small state strategy will be discussed in next chapter. The next section discusses the economic element of Sri Lanka's foreign relations.

3.5: Economic Dimension of External Relations

The first-phase of Ceylon's independence, 1948-1956, witnessed the advent of China to rescue the primary product economy while the super power, US, had stopped much of the economic cooperation and imposed coercion with the Battle Act. It was then obvious that after 1952, economic interests of the state came to the fore; hence, the 'survival' in the international economic sphere had become a complex issue for Ceylon. The post-1956 era marked a new phase of politico-diplomatic relations for Ceylon, and this section aims to investigate the economic implications of the relations with major powers and other states in the same period. The direction of the economy as discussed in the previous chapter was not necessarily the direction of international political posture, yet, economic relations ultimately may drive the small states into the alliances of the major powers (*see* Walt 1985: 27).¹⁵⁴

¹⁵⁴ Walt (1985) in "Alliance Formation and the Balance of World Power" hypothesizes that "...the more aid, the tighter the resulting alliance. He says "This hypothesis lies at the heart of most economic and military assistance programs, as well as American concern over Soviet arms shipments to various Third World countries" (p.27). Sri Lanka's direction of foreign relations after 1956 can be viewed along this assumption.

Small states awards a higher place for economic cooperation with major powers in their foreign policies. Ceylon's poor economic structure was unstable, and often vulnerable to structural pressures of the international economy (*see* Ponnambalam 1984). Sri Lanka's primary produce economy depended much on its major buyers from the West and the Communist countries. The vulnerability of its economy drew Ceylon to sign the 1952 Rice-Rubber Pact which defied the US's economic embargoes and diplomatic war. In the immediate regional setting, India too was a weak economy and could not offer much for Sri Lanka either. Therefore, the tilt towards extra-regional major powers such as USA, USSR, China and others was a general feature of the economic relations of Sri Lanka, whether India liked it or not. The direction of Sri Lanka's economy, from being a mixed economy which swung between socialist and liberal market policies to an open market economy in 1977, is traced in this section.

Nationalisation of Foreign Assets after 1956

The SLFP-led *Mahajana Eksath Peramuna* in 1956 and SLFP-led left coalitions in 1960 and 1970 made drastic changes in the economic system and expected to regain economic independence.¹⁵⁵ Though the UNP Government in 1965 and 1977 followed a Pro-Western economic policy, the localization of economy was the major strategy for the SLFP. For instance, nationalization of energy sector in the country was in the agenda of Bandaranaike's Government. Ceylon's petroleum needs were taken care of by multinational companies owned by the UK and USA. Ceylon had negotiated with the British Government before taking over the Shell Company.

Members of Parliament were concerned with the foreign owned assets in Ceylon as they siphoned much of the income earned in the country. The people's representatives of the newly independent country realized that political independence was not paralleled with economic independence. Anil Munasinghe's was one among who expressed the need for gaining economic independence through nationalising assets of the foreign companies in Ceylon. According to him;

¹⁵⁵ John Richardson (2005) views the era of Bandaranaike mostly through the prism of culture, yet, the economic element attached to Bandaranaike's local and external policy requires more emphasis.

...though we have received political independence, it seems economically we are dependent on foreign countries and we need to accept that. In the plantation sector there are 593 estates fully owned by foreigners. The area of these estates constitutes about five lakhs and fifty seven thousands of acreage. ...one half of the estates in Ceylon belong to the foreigners (*HRD* vol.39, 19 April 1960, col.264).

The major economic threat facing Ceylon was the loss of income as the foreign companies had taken it out of country as profits and dividends. Table 4A: 8 provide data that explicates this scenario well.

Table: 3:7, Profits and Dividends Taken out by Foreign Companies, 1949-1959

Year	Rs. Millions
1949	35.9
1950	67.4
1951	84.4
1952	60.6
1953	54.3
1954	61.2
1955	84.9
1956	83.3
1957	81.1
1958	65.8
1959	56.8

Source: Prepared with information in *HRD*, vol. 39, 1960, col. 241.

Resurgence of ‘nationalist politics’ during Mr Bandaranaike’s era continued to shape the texture of local politics in the later period (Richardson 2005). Now it was the intention of the nationalist leaders to take over foreign owned assets, mainly lands, and Dudley Senanayake’s Government had felt the heat of it already and got defeated in Parliament lacking majority’ support. In fact why Senanayake’s Government could not secure the faith of Parliament for the ‘Throne Speech’ and got defeated prematurely could be due to the nationalists’ belief that his policy was quite pro-western and hence not something that upheld the prevailing notions of anti-imperialism and localization of assets of foreigners, bringing them back to their real owners, ‘the rural peasants’.

Table: 3:8 Trade Agreements with Foreign Countries, 1958 –1959

Country	Agreement on	Date	Role of Agreement
Republic of Italy	Trade	Tabled in HOR on 30 th July 1958	Formal, extension of existing agreement for another year
USSR	Cultural Co-operation	Tabled in HOR on 25 th June 1958 (T.NO 1 of 1958)	Promoting Cultural cooperation
USSR	Trade	In HR on 25 th June 1958 (T.No 6 of 1958)	Extension of non-discriminatory Treatment in trade b/w each nation
India	Trade (Tobacco)	In HOR on 25 th June 1958 (T.No 2 of 1958)	Allows Ceylon to export chewing tobacco produced in Jaffna for years
USSR	Economic and Technical Cooperation	In HOR on 25 th June 1958 (T.No 3 of 1958)	Contemplated the possibilities of developing economic and technical cooperation
USSR	Payment	In HOR on 25 th June 1956 (T.No.7 of 1958)	Facilitating trade
Government of Polish People's Republic	Trade and Payment	In HOR on 22 Sep 1959 (T. No 5 of 1959)	Extended Trade and Payment Agreements reached in 1955
Federal Republic of Germany	Utilization of Gifts	(T.No 7 1959)	
Italian Republic	Air Services	In HOR on 22 Sep 1959 (T.No.6 of 1959)	Bilateral air transport
PRC	Exchange of Commodities	In HOR on 28 1959 (T.No.11 of 1959)	Renewal of Annual agreement on Rice and Rubber mainly
Italian Republic	Trade	In HOR on 28 1959 (T. No. 10 of 1959)	Extending validity of T.No 8 of 1958
USA	Educational Exchange	In HOR on 25 November 1959 (T.No.12 of 1959)	Amendment to T. No 12 of 1959, funding from Ceylon currency accrued by USA by selling agricultural commodities

FR of Yugoslavia	Scientific and technical cooperation	In HOR on 25 November 1959 (T.No. 15 of 1959)	Scientific and technical cooperation between two countries
Czechoslovakia	Trade and Payment	In HOR on 25 November 1958	Method of payment
Royal Swedish Government	Technical cooperation for Family planning	In HOR on 25 November 1958	Technical cooperation in methods of family planning
FR Germany	Ceylonese-German Training Workshop	In HOR 10 March 1959	Mechanical etc. workshop facilitated by Germany

Source: *HRD* 1960

While trade was being linked to international cooperation through bilateral agreements, foreign borrowings were gradually increasing. The following table depicts the international borrowings. In the economic realm Ceylon had improved relations with major powers during the Bandaranaike regime. USSR, Chin and USA featured much in economic and trade relations with Ceylon. USSR opened a line of credit amounting to a sum of Rs. 142.8 million for five years. China renewed the Rice and Rubber agreement incorporating some additional commodities and capital goods for trade between the two countries. It had promised to provide goods and equipment of Chinese manufacture amounting Rs. 15 million per year. During the financial year 1958 USA had made available for Ceylon economic aid to the value of Rs. 78 millions. Canada provided a total of Rs. 26.7 million economic aid for Ceylon in 1958.

Table: 3: 9, International Borrowings, 1942-1956¹⁵⁶

Year¹⁵⁷	Rs million
1942	24
1943	40
1944	86
1945	126
1946	68
1947	31

¹⁵⁶*HRD* vol. 31, col. 140

1948	24
1949	57
1950	29
1951	145
1952	104 after Korean boom
1953	80
1954	70
1955	75
1956	50

Source: *HRD* vol. 31, col. 140.

Ceylon progressed in the field of technical cooperation as well during this period. Under the Colombo Plan Ceylon received 60 experts and 80 Ceylonese received opportunity to receive training facilities abroad. Under the Technical Assistance Program of the UN, Specialised Agencies and 22 experts came to Ceylon and another 52 Ceylonese received foreign training. The Aid Program of the USA had provided 29 technicians and training facilities for 25 Ceylonese. On the other hand, Ceylon too played a role of providing training facilities for foreign countries with the help of Colombo Plan. This included its facilities to train 16 persons from South-East Asia in the field of cooperation, Anti-tuberculosis Nursing and so on. Ceylon also provided study facilities for 22 persons with UN assistance and its Specialised Agencies.

Colombo Plan Aid

Since its inception Ceylon received aid from the Colombo Plan in the forms of capital and technical assistance. The following table depicts the value of Capital aid received for the financial years and Technical aid for the calendar years.

Table 3: 10, Total Value of Colombo Plan Aids Received by Ceylon, 1951-1958¹⁵⁸

Financial Year	Capital Aid (Rs)	Calendar Year	Technical Aid (Rs)
1951/52	3,000,000	1952*	1,130,006
1952/53	14,740,000	1953	3,361,791
1953/54	14,301,500	1954	3,341,115

¹⁵⁸*HRD* 33, 1 October 1958, cols. 967-968. Prepared from written answers presented in Parliament on the question of Colombo Plan aid ,

1954/55	27,817,525	1955	4,535,200
1955/56	15,905,000	1956	4,487,334
1956/57	9,700,000	1957	5,326,215
1957/58	15,600,000	1958	Not Available

*up to and in 1952

The following table gives the figures of aid received by Ceylon from each country under the Colombo plan for the period from 1951 to 1958.

Table: 3:11. Colombo Plan Aid (contributions from each country), 1951-1958¹⁵⁹

Country	Amount of Aid Given up to September 1958 (Rs Million)
Australia	32.6
Canada	68.0
New Zealand	13.2
U.K.	09.9
India	05.0
Pakistan	00.016
Malaya	00.001
Japan	00.47

Ceylon received capital aid in the form of equipment, cash and flour which could generate local currency for work on development projects.

Much of the Colombo Plan Aid was diverted to infrastructure development in Ceylon (such as hospitals). The significance of this program which was implemented under the UNP was that it had assembled many Western states and their allies, while India and Pakistan from South Asia had contributed too. All these countries, originally seven, were Commonwealth members. Particularly, Colombo Plan opened for relations countries such as Australia and New Zealand which have remained close partners of trade and economics of Sri Lanka throughout.

Impact of International Economic Organizations

Sri Lanka's Claude Corea was the Chairman of the GATT for the year 1957 (*HRD* vol. 29, col. 101).¹⁶⁰ Prime Minister Bandaranaike considered this position held by a

¹⁵⁹*Ibid.*

Ceylonese as a 'great honour'. Meanwhile, as early as 1957, Ceylon feared the rise of European Economic Community". As N.M. Perera viewed, the emergence of the organization could 'have an effect on the exports of' of Ceylon and 'imports from those countries' as well (*Ibid*, col. 102.1).

During 1957 six 'Trade Delegations visited Ceylon from Denmark, Federal Republic of Germany, Japan, Egypt, Australia, U.S.S.R, Ghana, and Australia'. Mostly these delegations had 'exploratory' visits. A number of Trade Agreements were entered into with several countries. Ceylon signed trade agreements with FRG, USSR, Australia, etc. Also it was planned to send a trade delegation to Middle East in 1959. This was to promote tea market in Egypt, Sudan, and Iraq. However, the creation of the EEC was seen as a threat to Ceylon's exports to Europe. Ceylon expected to create several bi-lateral arrangements with European powers if the GATT had no solutions for its trade issues (*HRD* vol. 34, 27 January 1959, cols. 137-140).

This section deals how Ceylon dealt with the IMF during the period 1965-70. IMF figured largely during this period in the management of the economy of Ceylon. In 1965, the year the new UNP regime established its power, a number of transactions were concluded with the IMF with a view to strengthening the external financial position of the country and building up an adequate cushion of reserves. The problem of reserves and foreign exchange led Ceylon to seek the assistance of international financial institutions very often during this period. The following table shows the IMF borrowing for the period from 1965 to 1970.

The continuing external payments difficulties that beset the economy made the Government borrow heavily from the IMF. In January 1966 a sum of Rs. 35.7 million was borrowed under the terms of the first Stand by Arrangement signed with the IMF in 1965. In June 1966 the Second Standby Arrangement was signed that allowed Ceylon to draw on a sum of Rs. 119 million and a sum of Rs. 89.3 million was borrowed during the same year. Further to pay for Ceylon's gold subscription to the fund, a sum of Rs. 19

¹⁶⁰ As mentioned by PM Bandaranaike on 30th July 1957

million was made available in March 1966. Gross borrowings for the year 1966 were at Rs. 144 million (*HRD* vol. 73, cols. 15-17).

In 1967, with the continuing external payments difficulties the Government sought assistance from the IMF. The gross drawings under the first compensatory finance facility from IMF during this year amounted to \$ 25.75 million. Ceylon also received a second drawing under the compensatory financing facility due to the decline in export earnings and in April 1968 Ceylon drew \$ 19.3 million another 16.5 million was to be drawn during the year under the standby agreement with the IMF. Likewise, annually IMF drawings had increased and much of the export earnings had to be used for the repayment of the loans.

Sri Lanka became one of the founding members of the Asian development bank. It took an active interest in initiating a project for economic cooperation among the Asian countries. At a Ministerial Conference on economic-cooperation in Asia, held in Manila in December 1968, Ceylon agreed to the move of creating a regional bank for financial and economic cooperation. This Bank wanted to “foster economic growth and cooperation in Asia and the Far east; to assist in accelerating the rate of economic growth; to promote investment both in the public and private sectors for development; to provide technical assistance; and to assist in the co-ordination of development plans and policies” (*Ibid*, vol. 70, 15 September 1966, col. 20-21). As a signatory to the Agreement setting up the Asian Development Bank, Ceylon’s subscription for the Bank was 8.25 million dollars. The Bank had an ‘authorised capital of one billion dollars. The Bank also had non-regional members holding much of the capital in it and therefore the opposition feared that its original purposes would not be reached, but the countries would be subject to the control of the major powers holding much financial muscle in it. For instance the USA, Japan, West Germany, etc. had invested large sums in the capital fund of the Bank. As S. A. Wickremasinghe told in parliament; “We can call it “The Imperialist Exploitation of Bank” (*Ibid*. vol. 70, col. 37). He further argued that the powerful countries of the Western alliance would completely dominate the control of the Bank. In terms of food supply for Ceylon during the 1955-1965 (see tables below on rice, wheat, sugar imports) period the role of India was marginal. Mainly countries in the West,

Australia and South-Eastern Asia constituted the major sources of essential commodities like sugar, flour, rice and wheat.

Dependence on Imported Essential Commodities

Ceylon depended on its rice, sugar, wheat etc. supply on foreign countries during the 1956-1959 periods under the Bandaranaike’s Government. The smallness of Ceylon in terms of economic vulnerability is obvious when studying the heavy dependence of food items from abroad. All the more, domestic political instability of the country often was decided by guaranteed food subsidies for the poor.¹⁶¹

Table 3:12. Rice Imports 1955 April – December 1958

Period of Importation	Source of Supply	Total from each source in tons
April-December, 1955	Burma	157,466
	China	78,797
	Pakistan	35,929
	Thailand	11,964
January-December, 1956	Burma	236,669
	China	234,070
January-December, 1957	Burma	311,664
	China	200,896
	Thailand	43,772
January-December, 1958	Burma	186,612
	China	286,490
	Vietnam	13,813
	Egypt	28,428
	Naha	9,756
	Spain	10,093
	America	37,398

Source: *HRD* vol. 34, cols. 3247-50

¹⁶¹For an understanding of food subsidies in Sri Lanka, see, Neville Edirisinghe (1987) *The Food Stamp Scheme in Sri Lanka: Costs, Benefits, and Options for Modifications*, Research report 58, International Food Policy Research Institute.

Table 3:13. Sugar Imports April 1955-December 1958

Period of Importation	Source of Supply	Total from Each source Tons	
April-Dec, 1956	Cuba	16,300	
	San Domingo	25,752	
	Peru	8,440	
	Argentina	7,272	
	Brazil	13,652	
Jan./Dec. 1956	Mauritius	14,368	
	Cuba	29,510	
	Queensland	23,887	
	Peru	11,767	
	Java	8,827	
	Taiwan	18,798	
	San Domingo	8,849	
	Natal	8,748	
	France	6,706	
	Taiwan	15,108	
	Java	10,441	
	Jan.-Dec. 1957	Philippines	27,223
		Java	20,168
		Queensland	17,048
Taiwan (raw)		16,435	
Mauritius		7,678	
Brazil (raw)		7,350	
Taiwan (white)		8,907	
India		8,201	
Brazil (white)		8,068	
Jan.-Dec. 1958	Brazil	19,817	
	Cuba	38,427	
	Taiwan	18,984	
	San Domingo	10,000	
	Peru	9,888	
	Java	8,890	
	Queensland	8,472	
	Brazil	20,050	
	Taiwan	19,586	
	Cuba	16,091	

Source: *HRD* vol. 34, cols. 3247-50.

Table 3:14.Wheat Imports April 1955-December 1958

Period of Importation	Source of Supply	Total from each source in tons
April/Dec. , 1955	Australia	100
Jan./Dec.,1956	Australia	400
Jan./dec.,1957	Australia	250
Jan./Dec.,1958	Australia	225

Source: *HRD* vol. 34, cols. 3247-50

Table 3: 15, Imports of Flour, 1955-1958

Period of Importation	Source of Supply	Total from each source in tons
April-December, 1955	Australia	66,284
		8,716 (Gifts under Colombo Plan)
	France	52,000
	Canada	7,536
January-December 1956	Australia	116,645
		14,348 (Gifts under Colombo Plan)
	France	49,433
	Canada	12,736
January-December 1957	Australia	116,035
		1,250 (Gifts under Colombo Plan)
	France	58,113
	Canada	8,550
	America	32,100
January-December 1958	France	55,428
	Germany	30,559
	Italy	7,120
	Canada	49,987
	USA	24,176 (Gifts under ICA)
		18,527
	Australia	2,335 (Gifts under Colombo Plan)
9,178		

Source: *HRD* vol. 34, cols. 3247-50

An uninterrupted supply of food became a major challenge for Governments after independence. Much of the energy of diplomacy had to deal with securing food at cheap rates. Rice was the major essential commodity and every government promised rice rations as their political pledges. Ceylon's Rice and Rubber Agreement with China was major achievement in assuring the continuous supply of food. Several other sources of rice supply were providing rice and under the Colombo Plan aid Ceylon received some amount rice as 'gifts'. In purchasing rice Ceylon had to face the problem of price changes in the international market. Therefore, Ceylon wanted to secure more bi-lateral agreements to assure the food supply. China and Burma mainly came as cheaper sources of rice than USA. For instance, in the Mid-August of 1959, USA rice cost 52 pounds per ton whereas it was just 33 in Burma and China with freight charges (*HRD 34*, 11 August 1959, col.895). The food imports played a role to stabilize domestic power of the governments which in turn was linked to the foreign economic policy.

Bi-lateral Concessions for Food Crisis

Sri Lanka experienced a crisis in the supply food during the decade of 1970s. This era has come to be known as a period of 'ration' since the Government curtailed the imports in order to save foreign exchange. The 'rationed' items were highly consumed commodities and food, clothing, fuel etc. were distributed on a rigid state intervened mechanism.

As a result of the crisis the Government had to seek assistance from many states for the supply of essential commodities. Sri Lanka explored bi-lateral trade with several countries and Prime Minister herself visited Malaysia, Philippine and Japan in November 1976 (*Irida Lankadeepa* 21 November 1976, p.1). President of Philippine Marcos agreed to sell 65-70000 quantity of sugar annually at a special price (*Irida Lankadeepa* 21 November 1976, p1). Japanese Prime Minister Thake Mith promised the Prime Minister of Sri Lanka that his country would provide enough rice stocks. Japan also agreed to assist Inginiyitiya irrigation project and the fisheries industry of Sri Lanka (*Irida Lankadeepa*, 23 Jan 1977, p.3).

Competition in International Tea Market

International competition facing Ceylon tea abroad was a major problem for deriving income from its tea exports. Colvin R de Silva made the issue clear in Parliament; “we are up against the problem of growing competition in the future from various countries- India, Africa and so on- competition from cheaper varieties of tea” (*HRD 34*, col.473).¹⁶² Also “certain British interests which import the tea and which are engaged in the tea trade can market it as Ceylon tea...nobody can prevent it”(*Ibid*, 11 Aug 1959). Also “through Europe and England itself one finds constantly the advertising of Ceylon tea but when you buy a packet our own more competent representatives will state to you their view- you find more non-Ceylon tea in the packet than Ceylon tea” (*Ibid*, 11 Aug 1959). Ceylon mainly attempted to catch the international market in this scenario of stiff competition through bi-lateral trade.

USA provided food aid under PL480 program. All the regional states had accepted US aids; India, Pakistan, Burma, Indonesia and even some states like Yugoslavia which practiced a kind of Marxist approach in the government (*Ibid*, col.1053). USA agreed to provide 40,000 tons of rice but left criticised that its surplus agricultural produce was sent to us ‘on a big scheme of dumping them on other countries’(*Ibid*, cols.893-4).¹⁶³ More than the leftist, other members of the Government preferred USA aid to that of Communist’s, because USSR and China wanted the Government to implement a certain project to utilize the aid. For instance, USSR liked Ceylon to implement development project pertaining to industrialization rather than depending on food aid. USSR and Ceylon had signed an Agreement on Economic and Technical Cooperation in 1959 (*Ibid*, cols. 1163-1168).

Ceylon tea had its best customers in the West, the UK and the USA. During the mid-sixties Ceylon faced the problem of finding new markets and retaining the existing markets as well. The Middle East countries used to largely buy ‘mid-country’ grown tea from Ceylon. Middle East market was lost during this period as Ceylon did not buy products from Middle East in order to reduce the trade imbalance with them. Ceylon lost

¹⁶² Colvin R. de Silva was speaking on tea market issue

¹⁶³Speech of Peter Keuneman,

its tea market in UAR due to trade imbalance which was a result of not buying cotton from that region. Ceylon's tea market in Russia also declined under the UNP regime. Another factor affecting Ceylon's tea market was the devaluing of Indian Rupee.

Ceylon devalued the Rupee as a measure to stop the fall of the export earnings. The major problem was the fall of tea export earnings due to the fall of prices. Ceylon in 1966-67 exported 436 lbs of black tea which was 37% of the world production. Its major buyer the U.K. bought 38%, and USA and Canada 14%, Australia and New Zealand 13%, South Africa 7%, and 5 % to Europe.

Dependence on the West for Exports

After 1977 Sri Lanka's export industry focused much on the garment industry aimed at its sale in the European and USA markets. Sri Lanka entered into agreements with EEC, USA, Sweden, Norway and Canada on the export of garment products to those countries. In 1983 Sri Lanka renewed its agreement with the USA and EEC. The new agreement with the USA was valid from 01 May 1983 to 31 May 1988. USA had given Sri Lanka quotas for export of its garment and the second agreement had increased its quota from 07% from what existed previously. Every year the quota for exports grew by 06% as per the agreement. Also the agreement allowed Sri Lanka to exchange some limited products too. With the assistance offered by western countries Sri Lanka got its export income increased annually. The following table shows the figures of export income for six years after 1977.

Table 3:17, Export Income from Garment Products, 1977-1982 (excluding FTZ)

Year	Export Income (Rs Millions)
1977	131
1978	421
1979	952
1980	1334.1
1981	1686.8
1982	1998.6

Source: *HRD* vol. 23:06, 29 March 1983, col 1039

Economic Downturn

The Governor General's Speech on 8 July 1967 referred to the crisis facing the economy due to the slump in the world market of the prices of the primary exports of the country (*Ibid*, vol.72, col. 5). Also the severe shortage of rice, the staple commodity of Ceylon in the world market created a difficult situation for the Government. Due to the shortage of rice imported to the country the quota distributed on ration cards had to be reduced.

From 1956 to 1963 the price of tea dropped sharply, from Rs. 3 per pound in 1956 to Rs. 2.50 per pound in 1963. As a solution to the decrease in export earnings the Government decided to devalue the rupee and India and the UK had already devalued their currencies in facing the slump in world economy. N.M. Perera told it was "vital to study India's devaluation" (*Ibid*, vol.75, 27 Nov 1967, col. 2936). "She is after all our neighbour. India devalued much against her will; do not make a mistake there. India was forced to devalue by the I.M.F as one of the conditions laid down for the help India got..." (*Ibid*).

Foreign Aid

The UNP Government established a new Ministry to handle foreign aid to the country. The foreign aid component of the economy during this period is graphically explained below. The IBRD assisted Ceylon in convening the meetings with the donor countries. From 1965 to 1968 there were four meetings convened by the IBRD to enlist support for the economic development of the country. In the first three meetings Ceylon was pledged an amount of Rs. 688 million and in the fourth meeting the pledged amount was \$ 54.5 million. By June 30, 1968 the value of aid Ceylon had received was as follows (*Ibid*, vol. 80, Aug 2, 1968, col. 64).

First Programme – 196.9 million

Second Programme – 230.3 million

Third Programme – 57.3 million

Major providers of economic aid for Ceylon during the UNP Government of Dudley Senanayake were Australia, Britain, Canada, German federal republic, France, India, Japan, and the USA. Except for India which was a non-aligned nation other states in this

aid group represented the Western alliance led by the USA during the Cold War. Therefore, the economic relations of the UNP regime mostly anchored with the Western bloc, even though the bilateral trade with Communist powers like China continued further the political enthusiasm for dealing with the Communist powers was comparably less in Dudley Senanayake regime.

The aid provided by Australia was entirely grants for Ceylon. Britain and Canada provided interest free aid (*Ibid*, vol. 75, 28 Sep 1967, col. 367-70). The German Federal Republic, France, India, and Japan provided aid on interests which ranged from 3% to 6%. And the USA provided aid for a concessionary period of five years on 1% interest and after that period its rate of interest was a very low 2 ½% per annum. Thus the Western allies assisted the UNP regime during the 1965-70 to deal with its economic difficulties as much as possible.

Finance Minister Wanninayake thanked the IMF and the WB for assisting Ceylon in mobilising support and all the donor countries for their generous support (*Ibid*, vol. 80, Aug 2, 1968, col. 64). Among the countries which loaned and granted finance for the UNP regime from 1965 to 1970 were mostly the countries of the West or who were aligned to the USA. The contribution of loans and grants from USSR were very small during this period. The following table (4:16) shows the loans and grants Sri Lanka received under the UNP regime of Dudley Senanayake from 1965-70 from the Government and International Governmental Financial Organizations.

Table 3:18. Foreign Loans, Grants etc. Received by Sri Lanka (From Government Sources)

Country /Source	Amount (Rs. Million)
CDIB	246.545
IDA	117.432
ADB	82.884
Canada	117.346
Denmark	158.442
West Germany	216.703

Australia	36.45
India	95.232
Italy	23.75
Japan	180.92
ECTP	6.834
UK	298.417
USA	363.326
USSR	0.274

Source: *National State Assembly Debates* 6:01, 02 May 1973, cols.884-92.

Foreign Investment

After 1977 Sri Lanka took an economic U-turn by implementing an open economic system in the country. Sri Lanka was the first to declare the liberalization of economic system in the region and thus marked a clear deviation from other countries which followed socialist or mixed systems. Ideologically the UNP Governments clearly stood along with the Western liberal capitalism and took all measures to weaken the communist elements in the country. Economic development through FDI was the major mantra of the Government after 1977. The period after 177, therefore, witnessed a sudden upsurge in the economic development as the western countries and Japan became the agents of investments and donors for the UNP regime.

Foreign investments were attracted to create Investment Promotion Zones (IPZ) in the country. Foreign investors were provided with infrastructure, land, and tax concessions and the supply of cheap labour was guaranteed as much of the working population wanted employment in some nature during this period.

As of 31st July 1982 one of the major IPZ at Katunayake in Colombo had attracted foreign investments for several industries relating garments and electronic equipment etc. Out of some 57 investments foreign investors had a ratio of equity participation of 50% to 100% in 39 industries. The number of purely locally held industries only remained at 8 out of 57. The mingling of foreign and local partnership in industrialization became a major feature of development after 1977 in Sri Lanka. The following table shows further

the ratio of equity held by local and foreign investors in the industrial processing companies in Sri Lanka by 1982.

Table 3:19. Trade Agreements, 1967-1968

Country with which the Agreement was signed	Name of the Agreement	Date of enforcement and Nature of Agreement
Norway	Convention Between the Government of Norway and Government of Ceylon	Presented for information of the HR on 02 June 1967
Republic of France	Air Services Agreement	Normal air agreement
Maldives	Agreement Between the Government of Ceylon and the Maldivian Government	Trade of commodities, exports and imports
India	Indo-Ceylon Agreement (Implementation)	Bill in Parliament on in June 1967
German Federal Republic	The Promotion and Reciprocal Protection of Investment	07 April 1968 (HRD)
PRC	Protocol Relating to Exchange of Commodities No 3, 1967	

Source: Compiled from data in *HRD* vol.82, 24 October 1968

Table 3:20. Rice Imports, 1957 – 1968

Country	Quantity (ton)
Burma	2481294*
Cambodia	20572
China	2237931
Egypt	49672
Malaya	9852
Naha	9756
Pakistan	66485
Saigon	54107
Spain	10093

Thailand	665990
USA	103489
Vietnam	79946*

*Includes the quantity imported under the Agreement with China. (Compiled from data in *HRD* vol. 82, cols 1463-67, 24 October 1968)

In guaranteeing the supply of food China was the major source for Ceylon from 1952 onwards. China made arrangements with Burma and Vietnam to maintain the continuous supply when its rice was not in abundance for import. India was not a major concern for Ceylon's food stock. Pakistan and East Asia basically were crucial for Ceylon to keep its people fed. USA had supplied rice when Ceylon requested to do so. But the cheapest source was China which was bound under the Rice and Rubber Pact to become the source of rice for Ceylon for long.

Table 3:21. Fertilizer Imports, 1964-1968

<i>Country</i>	<i>Quantity all types (long tons)</i>
<i>UK</i>	88075
<i>East Germany</i>	55700
<i>West Germany</i>	63100
<i>Italy</i>	24350
<i>Lebanon</i>	1600
<i>Kuwait</i>	19490
<i>Japan</i>	107202.50
<i>RUA</i>	129580
<i>Jordan</i>	43548
<i>Israel</i>	1000
<i>Holland</i>	11800
<i>Portugal</i>	6000
<i>Belgium</i>	10000
<i>Rumania</i>	5000
<i>India</i>	07

Source: Imports of fertilizer (all kinds) compiled from data in *HRD* vol.82 cols 1476-86, 24 Oct 1968

The direction of imports of fertilizer points to the fact that the UNP had practiced a kind of trade non-alignment since some Communist states have accounted for much of the sale of fertilizer to Ceylon from 1964 to 1968. India's contribution on this item remains negligible and it is understood as its lack of stock in that country.

Table 3:22. Wheat Flour Imports by Ceylon, 1965-68

Country	Quantity (Tons)
Australia	524835
France	206239
Germany	110470
Canada	62727
India	1600
Pakistan	1516
Italy	161337
Singapore	23004
Hong Kong	15849
Malaya	13913
Lebanon	1884

(Compiled from *HRD* vol.82, 24 Oct 1968, cols. 1511-12)

Ceylon's dependence on supply of the wheat flour on the West was clear during the above period under Dudley Senanayake. Imports from Russia had stop during this period.

Aid Group

The Aid Group for Sri Lanka grew 'in size and stature' in the early 1980s. The World Bank-assisted Aid Group meeting annually provided necessary financial aid for the country's development projects. In 1980 there were 17 donor countries and seven international institutions which were offering aid for Sri Lanka. The Government's Finance Minister made it a point to claim that during the period from 1977 the international community had trusted the confidence in Sri Lanka. The donor countries were Australia, Austria, Britain, Canada, Denmark, Finland, France, Germany, India,

Italy, Japan, Netherlands, Norway, Sweden, Switzerland, and USA. The international agencies included the World Bank, IMF, ADB, EEC, OECD, and IFAD.

Linking the economy to International Financial System

In November 1980 during the second reading of the budget Finance Minister explained that Sri Lanka was becoming an international link of the financial system with the establishment of several foreign banks in the country (*Parliamentary Debates* 11: 2, 02, 05 Nov 1980). Sri Lanka was becoming a centre for foreign finance and the Government believed that before long it would become an internationally significant financial hub. The new economic policy of the Government was trusted by the international community and Sri Lanka had obtained more foreign aid than no other country could secure in such a scale. Also the foreign aid had come to Sri Lanka under very concessionary terms and a two third of the aid was given as grants without interest and need for repayment. Also, much of the loans were given as long term loans. The Finance Minister also told that Sri Lanka had been better placed in the international capital markets.

Sri Lanka's economic progress during the early 1980s was a result of international financial assistance it could accrue through international agencies. Government trusted mostly in multilateral sources;

We can mobilize foreign resources - they can be of various sources like the World Bank, the IMF, the Asian Development Bank, the OPEC Special Fund, IFFAT, even the World Food Programme and other bodies. We can mobilize finance from foreign bi-lateral (sic) from donor countries, and we can also get finance from Export Credit Agencies of various Governments abroad who have established such Export Credit Authority. We can also get finance from the private capital market (*Ibid*, vol. 10, issue 10, 3 June 1980, col. 1390).

During the 1980s Sri Lanka was financing almost 60% of its development budget from the external sources 'due to the paucity of resources'. The Financial Minister admitted that the country was one of the poorest in the World (*ibid*, col. 1391). Nevertheless, Sri Lanka had obtained more than 35% of foreign aid as grants, much for its convenience. Also the "rest of the foreign aid had been obtained on concessionary terms, very often interest free, sometimes at rates of interest varying from ½ percent to 3 percent" (*Ibid*, col. 1392).

Critiquing Foreign Aid and Development

The opposition Leader, A. Amirthalingam, described the Government's (under Jayewardene) massive drive to develop the economy with foreign aid as having "Great Expectations"; he alleged that "the great expectations of massive foreign aid and grants with which this Government formulated its scheme of expenditure have completely failed" (*Ibid*, 12:03, 11 Nov 1980, col. 326) He quoted a report published in *Financial Times* which said "Sri Lankan Economy has run into trouble. Jayewardene faces some unpopular decisions" (*Ibid*). Further the report had predicted something negative of the economic development for the country.

Mr Jayewardene must tackle those problems by November when the Government presents its budget. Inflation is running at over 35 per cent a year and has been accompanied by a 15 per cent devaluation at the rupee. Second, with foreign exchange reserves precariously low, equivalent to just six weeks of, the International Monetary Fund has suspended disbursement of the \$ 340 million facility negotiated in January 1979 (*Ibid*).

Sri Lanka used long terms financial loans etc. for mega development projects in the country. The Mahaweli development project, and several other infrastructure development projects were initiated with foreign financing which were provided with very convenient repayment arrangement. The Government after 1977 embarked on an economic development with the support of the West and its donor agencies and was swiftly moving away from the principles of non-alignment and other international ethical and normative commitments which the previous Governments had been committed for, while playing a key role in the international normative political sphere.

The open economic policy of the UNP Government had positioned the country well within the global financial market and the problems or the subjects of 'socialism; imperialism and colonialism' which often came up in the debate in Parliament during the regimes of SLFP-led left coalition were no more heard in the Sri Lankan Parliament after 1977, except for some members of the opposition. Sri Lanka after 1977 seemed to have started its journey of liberal market capitalism which flourished during its initial stage up to 1983 when the ethnic strife broke off in a violent fashion in the Northern region of the country.

Summary

Chapter 3 has analysed the external policy of Sri Lanka from 1956 to 1983, a period of nearly three decades. The discussion of this chapter was organised under five key themes; Sri Lanka's relations with major powers – Western and Communist Bloc powers, relations with the Commonwealth, expansion of state to state relations and economic dimension of the foreign policy. The period under the study had five major governments apart from two short-lived regimes too. Starting with 1956 when Sri Lanka was still under the dominion status, the chapter ended its inquiry in 1983 when the Republic of Sri Lanka was at the door step of a major conflict in the local scenario. Mainly Sri Lanka's domestic political system has been a bi-party system. The UNP and the SLFP replaced each other periodically during the period.

Sri Lanka's relations with USA, USSR, UK and China were discussed in the second section followed by the introduction. The different ideological orientations of the SLFP and the UNP seemed to have an impact on the extent to which each Government entered into relations with the major powers. However, every Government attempted to have relations with all the major powers but at times relations could look frail though. The SLFP's commitment for socialist policies was visible, but it also wanted the USA to relate with the country. Therefore the SLFP attempted to follow a strategy of engaging the USA diplomatically, politically and economically. Much of the economic aid was from the West during the UNP tenures, and USSR and China were more visibly aiding the left-oriented Governments led by the SLFP. Thus the bi-polarity's structural incentives to shift alliance preference had helped Sri Lanka much during this period. In 1956 Ceylon adopted a drastic change while turning to communist powers which was in line with India, and for the next two or more decades at least until 1977, all the Governments had to follow this line of relations, since the regional systemic too had adopted a similar line responding to the bi-polar distribution of power. All the Governments declared their external policies to be non-aligned, and the next part of this chapter will comprehensively study this aspect of the foreign policy during the same period.

In the meantime, it was obvious that both USSR and the USA would have wanted the small state to behave within each power's international and regional strategies, but the small state was never committed to any of these power's strategic positions, and was shifting its allegiance at times. That is because it had clearly bandwagoned with India after 1956 making room for her to strengthen the domestic setup and also explore new dimensions of foreign relations that it could not do during the first phase as the UK was then determining the external policy direction of the country. The expansion of relations was possible because the UK had lost its influence on the external policy under Mr Bandaranaike.

Sri Lanka's desire to become a Republic in 1972 was not condition for it to leave the Commonwealth. Yet, it displayed the influence of India on its external policy once again. The policies of nationalization of foreign owned assets, occupation of harbours owned by UK, and keeping the Trincomalee harbour and its oil tank free from foreign powers are some instances where Ceylon displayed its allegiance to the regional power. And in the next part of this chapter we focus on Sri Lanka- India relations in the light of India influenced non-alignment.

Sri Lanka also diversified its relations after 1956 and had expanded relations to most of the Middle East, Afro-Asian, European and all Communist and Western powers. The role it played within UNSC for a short period and within the UN was also highlighted for it allowed Sri Lanka to stand in the international arena as a member of the 'international society'.

While the conflicts involving superpowers forced the small state to take positions on their foreign policy in Asia and several other conflict regions, Ceylon was careful not to antagonize them much. The regimes of the UNP and SLFP had different policies toward each superpower and it even affected the naming of the Republic of Sri Lanka under the 1972 and 1978 Constitutions. The first republic constitution called the country "Socialist, Democratic Republic", while the 1978 Constitution renamed the country as "Democratic Socialist Republic". The ideological rivalry of super powers then clearly opened space for the small power to decide its foreign policy and set the domestic political structure. And India as the regional power was less imposing on the small power which in fact had

acted much on India's agenda of peace, disarmament etc. in the regional sphere during much of this period. More less India enjoyed a consensual hegemony with the small neighbour in this period.

In International diplomatic, economic and political spheres, Sri Lanka moved with ease during this period. The amount of foreign aid, aid during disaster times, the assistance it received to curb the JVP insurrection, all had to do with how Sri Lanka had promoted its international stature as an independent state during this period. Sri Lanka during this period bandwagoned with India's normative politics and accepted its regional security and political strategy without much resistance. Nevertheless, Sri Lanka adopted a rationally explainable external policy realistically and pragmatically responding to the systemic and sub-systemic consequences.

Chapter 4

Non-alignment, Multilateralism, and Relations with India, 1956-1983

4.0 Introduction.

Chapter four (4) has analysed Sri Lanka's external relations with four major powers, USA, UK, USSR and China, in addition to the relations with some lesser powers that are strategically significant for Sri Lanka, from 1956 to 1983. In that analysis the major focus was on political, diplomatic, military and economic aspects of the relations with the major powers. The analysis then aimed at explaining the strategic nature of those relations for countering systemic and sub-systemic threats and constraints facing it. This chapter too focuses on the same time frame, but its study area shifts from the bi-lateral sphere to that of the multilateral and normative politics.

This chapter therefore aims to study multilateralism of Sri Lanka from 1956 to 1983, with a major focus of non-alignment as a 'tactic' rather than 'a foreign policy'¹⁶⁴ and the role of the small state in other major international organizations such as the UN. Similarly, this chapter reviews Sri Lanka's normative approach to international politics in issues such as world peace, disarmament and regional peace zone etc. This analysis argues that the small state practised normative politics as a strategy to boost its own image while attempting to hide the real alignments it had made with major powers through its external policy. Further, this chapter critically reflects on Sri Lanka's role in the international realm as a small state against the backdrop of sub-systemic consequences that would 'shape and shove' the course of action designed to dealing with the international and regional system of power by the small state from the mid-fifties to the early eighties.

This sections includes four major sections excluding the introduction and the conclusion. The first major section of this chapter analyses the policy of non-alignment under a few sub-sections and themes mainly following the chronology of regime changes in the years

¹⁶⁴Rothstein argues that non-alignment was "a tactical response to a particular distribution of power between Great Powers" and "not a foreign policy" (1977:112). Also see, Rothstein (1968) *Alliances and Small Powers*, New York, Columbia University Press.

of 1956, 1960, 1965, 1970 and 1977. All the five regimes claimed to be following 'non-aligned' foreign policies, and defined the concept differently in different contexts facing different issues. Therefore it would be important to understand the different perspectives of the non-alignment of under different regimes. Perhaps, this exercise would show us the dynamic nature of non-alignment as well as the pragmatism behind it during bi-polarity. Moreover, the section argues that Sri Lanka's non-alignment was a policy of 'bandwagon'¹⁶⁵ with India and treats it more as a sub-systemic outcome than a result of bi-polarity. Second, this chapter explicates Sri Lanka's commitment for regional and world peace, disarmament, its role in international conflicts and as a third world spokesman for small states . Third, the chapter studies Sri Lanka's role in international organization and its attitude towards regionalism. As a typical small state strategy to withstand systemic and sub-systemic pressure, the membership in IOs and regionalism constitute important tactical elements of the foreign policy, and that dimension of external policy is focused in the chapter. Fourth, the chapter studies Sri Lanka-India relations after 1956, under each of the five Government and examines whether those regimes continued a similar policy of resisting India through 'balancing' or alternative practices such as 'bandwagon' and 'hiding'. The fifth section reviews the emerging debate on regional cooperation in South Asia.

4. 1. Non-alignment, 1956-1983 - a Sub-Systemic Outcome

Why did Sri Lanka tend to follow non-alignment, especially after 1956, as its major foreign policy determinant or guideline? Was it India which influenced its policy or the Cold War which constrained the country's external dimension largely in economic and political arena? Was non-alignment, therefore, a strategy to appease the great powers as well as the regional power India? How Sri Lanka's different Governments during the 1956-83 viewed non-alignment and did all the Governments follow a uniformed policy as non-alignment? While this section explores non-alignment of each Government, it also attempts to explore how it has worked for Sri Lanka as a strategic policy which allowed it

¹⁶⁵As we have discussed this concept in chapter 2, it means the joining the side of the threatening power, in this case India, by the threatened power, Sri Lanka. However, this bandwagoning has to be differentiated from total subjugation.

to resist regional and international pressures on its economy and political outlook. It builds up the argument that, as a small, state it was beneficial for Sri Lanka to be non-aligned, but it was India which mainly affected the policy, and hence non-alignment was a sub-systemic outcome rather than an independent policy of a small state. First of these subsections inspects the policy of ‘dynamic neutralism’ and ‘the theory of coexistence’ under Bandaranaike, 1956-59; then, it moves to study non-alignment from 1960- 1965 and investigates how non-alignment was transformed into ‘the national interest’ under Mrs Bandaranaike. The third of the subsections studies ‘strict non-alignment’ under Dudley Senanayake from 1965 to 1970, and the fourth, again explores the role of Mrs Bandaranaike in the NAM from 1970 to 1977. The next section will examine how non-alignment as a policy and philosophy lost its original meanings during the regime of UNP from 1977 onwards.

An analysis of the non-alignment discussed under all subsections will be provided at the end of the section. As mentioned earlier, the objective here is to screen the changing meanings and the practice of non-alignment as a part of the external policy of the small state, which we believe was originally inspired by the regional leadership of Nehru of India. Moreover, the entire discussion that follows would highlight how during the period of study, Sri Lanka’s external policy was etched in the discourse of non-alignment and all governments were more or less were constrained by the new strategic path of India in the turbulent environment of Cold War politics.

4.1. 1. Policy of Non-alignment (*Nobandi Piliwetha*) under Bandaranaike, 1956-1959

Considered to be the author of Sri Lanka’s policy of non-alignment or *nobandi piliwetha*, SWRD Bandaranaike drifted sharply away from the previous regime’s policy of being ‘friendly’ with the West and keeping away from the Communists (Nissanka 1976 and 1984). The literal idea of the Sinhala term, *nobandi piliwetha*, means ‘a policy of non-attachment’ with anyone or anything, and it also implied the idea of non-favouritism toward any party or a particular bloc too. Further, the idea of *nobandi* (non-aligned) did not mean disassociation, but detachment without favouritism. It was a kind of ‘neutralism’ that Bandaranaike advocated for Ceylon as the major guideline of its external policy during the Cold War. In fact Bandaranaike wanted to be friendly with all

the countries and enemy of none (Bandaranaike 1961: p.9).¹⁶⁶ The Governor-General addressing the House of Representatives (HOR) on 20th April 1956 mentioned that “in its foreign policy” Ceylon “...will not align with any power bloc”(HRD, vol.24, 20.April 1956, col.25). This statement in fact hinted at the policy choice of Bandaranaike as the Prime Minister of Ceylon. In August 2, 1956, he Bandaranaike stated that

...the foreign affairs of this country have taken a more positive turn today than before. Earlier, we did not know where we were. There was talk of “non-aligning”, “power blocs”, “preserving an attitude of neutralism”, though in fact, their (the previous government) actions were quite different. We have altered that now (HRD, August 2, 1956).

How did Bandaranaike’s policy of non-alignment differ from that of the UNP’s? First, Bandaranaike criticised that the UNP’s policy was “committed to be drawn at the chariot wheels of the United States of America” (*Ibid*, vol.10, col. 1410).¹⁶⁷ Bandaranaike did not accept that he wanted to be neutral either, but clarified as to what Ceylon had then meant by the word “neutralism” (*Ibid*, August 2, 1956).¹⁶⁸ He stated that in its foreign policy Ceylon’s attitude was “an attitude of neutralism”, but it was not “a sign of cowardice” (Bandaranaike 1961: 8).¹⁶⁹ Nevertheless, he expressed that this policy of neutralism was something that the “West do not understand” (*Ibid*). From Bandaranaike’s viewpoint, the two rival ideologies promoted ‘hatred’ against each other. Therefore, as a peace loving nation, Ceylon could not be attached to any of these ideas particularly, and the best way to be represented at the world stage would be to act like ‘a bridge between the two radically opposed points of view’ (*Ibid*, p.9). Bandaranaike further defined his policy as a ‘dynamic neutralism’ that transcended the local interests and reached out to mankind as “a whole” (*Ibid*).

¹⁶⁶ Address to the Commonwealth Press Association, July 5, 1956 in Bandaranaike (1961), collection of Speeches and writings (third edition) p9

¹⁶⁷ Also see Gajameragedara (2011), p.24

¹⁶⁸ Quoted from Bandaranaike (1961), collection of Speeches and writings (third edition) p.2.

¹⁶⁹ Address to the Commonwealth Press Association on July 5, 1956 in Bandaranaike (1961), *collection of Speeches and writings* (third edition).

Pragmatism attached to Nobandi Piliwetha

In its external policy orientation Bandaranaike's Government did not follow a non-pragmatic policy or unrealistic path in the external policy. At least that is what Bandaranaike would have wanted to convince the public. Therefore, in justifying his policy before the eyes of the nation, at the HOR, he dealt with the pragmatic dimension of non-alignment.

We prefer what we call a neutral state which is nothing more than that we like to be friendly with all and like *to obtain what is advantageous to our won new society*- while following our own way-through whatever benefit we can get from East or West, North or South, from everyone... (Bandaranaike 1961: 12).¹⁷⁰ (*emphasis added*)

Being detached from the two power blocs while being friendly with all others will also create an "advantageous path" accruing "whatever the benefit the country can get from East or West" (*Ibid*). Also Bandaranaike believed that this policy of neutralism reserved to Ceylon 'the right of criticizing our friends'.

Dynamic Neutralism

S.W.R.D. Bandaranaike called his policy a 'dynamic neutralism'. At the UNGA in 1956, Ceylonese Prime Minister had elaborated as to why his Government followed a neutral policy in the international arena. He repeated in the HOR what he stated at the UNGA in the following lines.

I explained to them the philosophy, the reasons and the grounds behind the policy that we follow of neutralism, of a refusal, in fact, to align ourselves with power blocs and the corollary to that attitude, the attitude of living and letting live, of being friends with all and having friendly relations with all countries irrespective of their political ideologies(*HRD* vol.27, sessions 1956-57, 11 Dec 1956, col 797).¹⁷¹

In the side-lines of attending the UN Conference in New York, Premier Bandaranaike received an opportunity to explain his 'point of view' to some of the representatives from

¹⁷⁰Statement in the HOR, July 24, 1957, in Bandaranaike (1961), collection of Speeches and writings (third edition) p.12

¹⁷¹ Speech of SWRD Bandaranaike

the US. As Prime Minister revealed in parliament he did not go to USA to “do *pooja* as a stooge”, but wanted to preserve the country’s and the Government’s “dignity and respect” (*Ibid*). Prime Minister also had the opportunity to discuss with US President Eisenhower in Washington and was pleased with his opportunity to meet the US President. Further, Premier Bandaranaike saw the US President to be “very frank and straightforward” on the question of Egypt. Also Prime Minister told the HOR that he was impressed that “America did not wish to impose economic colonialism on Ceylon” (*Ibid*). For him, Americans could not “understand other people very well owing to their long period of isolation due to Monroe doctrine” (*Ibid*, col.799). Prime Minister understood that the US wanted to create an anti-Communist bloc, and its “actions really proceeded from that desire, rather than from the desire of imposing economic colonialism” (*Ibid*). Ceylon wanted the US to do away with any misunderstanding, if it had any, regarding its position on the international affairs, since Ceylon had chosen to “preserve, in the interests of humanity, friendly relations with Communists powers as well as other powers” (*Ibid*). Ceylon Prime Minister was optimistic that he was able to convince the US on this and believed that ‘friendly relations’ with the superpower would be restored.

At the UNGA Ceylon Prime Minister also met with Russian leaders and expressed the country’s position regarding its actions on the Hungary. Russia had the greatest regard for Ceylon according to the Prime Minister (*Ibid*). Some members of House of Representative (HOR) criticised Bandaranaike policy of middle path or neutralism as something non-existent or fake. They charged that during his visit to USA Bandaranaike had betrayed his policy of non-alignment and middle path. As proof of this deviation he pointed out that Bandaranaike had failed to recognise USA as an “aggressive” power in case of its military interventions in foreign soils. Bandaranaike in his press briefing in USA had told the following.

... I certainly do not think the United States can be considered an aggressive country in the way in which that term is ordinarily understood. ... There is a fairly widespread belief, however, that the United States is indulging in a new form of colonialism- economic domination. Personally, I do not think even this charge is really justified. It probably stems from the attitude of the United

States intended to win close allies against what she considers to be the communist menace rather than the wish to reduce other countries to subjection to herself (*Ibid*, col. 1064).¹⁷²

Bandaranaike further had to clarify as to what he meant when he stated that USA was not an 'imperialist' power. He said that the 'colonialism or imperialism' as had been previously perceived was not 'really what the U.S.A' had 'in mind'. According to his view, the policy of the U.S.A. as an enormously 'rich' country 'with further potentialities' was not actuated 'to a great extent' by colonial or imperialist urge (*Ibid*, col. 1155, 18 Dec 1956). Bandaranaike did not like to categorise USA's anti-Communist foreign policy as an exercise of colonising the world. He believed that USA's move was not directed toward the 'exploitation' of the countries and their resources. Rather Bandaranaike viewed USA's anti-Communist fight as an attempt to "getting into their sphere of influence" (*Ibid*). This critical view of Bandaranaike shows that he had realised the realistic motive behind the power struggle of the great powers in world politics in the 1950s. Therefore, he designed his country's policy that befitted its power potential as a small state in the world arena.

Bandaranaike thought that his policy which was a polar opposite of the previous government's attitude toward Communist powers would be mutually understood by the USA. It seems, for him it was normal to experience many differences- ideological, religious, national etc. - at a time when the world was undergoing a period of transition. In his analysis, 'the world was' yet to reach 'a point of stabilization' (*Ibid*). In a context of continuous upheavals in the world arena Bandaranaike had to make a balance between the two rival ideological blocs and keep 'equidistance' among them. Bandaranaike's categorization of world politics saw that several rival ideologies were competing for dominance of the world. Bandaranaike faced the dilemma of formulating his worldview which would differ from all those existing ideologies then. The cleavages in world politics was perceived by Bandaranaike not just as a struggle between two major camps, but several: the communists, the fascist countries, the capitalist democracies like the United States of America, the liberal democracy like Britain and social democracies like some of the countries in northern Europe and various communist countries such as

¹⁷²Report from USA newspaper quoted in his speech by (MP) Rajaratna

Yugoslavia and the People's Republic of China and so on'. They all claimed that "theirs is solution. "What we need today, in a period like this, particularly with the terrors of war before our eyes, is peace" (*Ibid*).

In the Appropriation Bill debate in August 1958 Bandaranaike dealt further with the fundamental principles on which Ceylon's foreign policy was based on. He told, "...we are interested in peace... through our general policy of anti-colonialism and through our adherence to the Bandung resolutions..."(*Ibid*, vol. 32, 14 August 1958, col. 315). Thus, in the context of UK's departure from the bases of Ceylon, the small state was turning to the jargon of peace and coexistence in the region.

Bandaranaike's Theory of Coexistence

Bandaranaike's worldview constituted of the normative conjectures on 'world peace' to be achieved through expanding relations among all nations despite their ideological colours and divergent foreign policy approaches. When the 'terrors of war' had haunted, the world could not afford the risk of anything like widespread war 'smashing the humankind'. The necessity for 'coexistence' as he expounded may be understood as theory. Whether we liked the others ideology or not there was the necessity of co-existence. "We may not like the communist point of view; we may not like the American point of view, but we have to a great extent to live and let live. That is as I understand the theory of co-existence" (*Ibid*, vol.27, 18 Dec 1956, col.1156). In his lexis he did not like to recognise any political ideology or 'ism' as a better option before the world. What he wanted to see was the 'political stability' in the world stage. Therefore, he appealed to the world to do away with the ideological rivalries that could possibly bring 'destruction' owing to people's 'likes and hatred' over them. He prophesied that "we are going to destroy all mankind in the name of some "ism", whatever "ism" it may be (*Ibid*). According to him his 'foreign policy' flowed from the 'philosophy of neutralism' (*Ibid*).

He elaborated this idea of neutralism as not belonging to any bloc.

What is this neutralism? It is just that we do not range ourselves with one power block (sic) or another power bloc to divide the world into two worlds., each hating the other, each fearing the other, each suspecting the other which must necessarily lead to war. We like to be friends with all.

We have our differences. We do not want anybody to come and impose his point of view on us; we do not like that. We do not want it, but at the same time we understand their differences. I am not prepared to hate anybody because he is a communist. I do not want to hate anybody merely because he happens to hold some other form of ideology (*Ibid*).

Bandaranaike wanted to find the best policy which 'suited his country, Ceylon'. Nevertheless, in that process of searching for the best policy he wanted to be friends with all while understanding the difficulties and differences. In his definition of what he called 'dynamic neutralism' was not something that made him to remain 'on the fence' or 'try to get what you can from here and from there'. Dynamic neutralism was something much more 'positive' for him. This shows that dynamic neutralism opposed the utilitarian foreign policy. Bandaranaike also rejected the allegation that he had a foreign policy of 'double dealing'.

Joining the debate on the Appropriation Bill in Parliament on 24 July 1957, Bandaranaike dealt with the 'dual task' that the Asian countries were faced with (*Ibid* vol. 28, 24 July 1957, col. 1777). This dual task constituted of the tasks of 'converting colonial society into free society' and remaining without belonging to any power bloc (*Ibid*). From 1956 to 1960 it was the political vision of Mr Bandaranaike which closely linked Sri Lanka and India in the foreign policy realm. Non-alignment was a thread that could bind hard the two countries during this period. Let us look at the policy of non-alignment from 1960 onwards.

4.1.2. Non-Alignment of the UNP in 1960

There was a short stint of rule by the UNP in 1960 under Dudley Senanayake. He too reaffirmed the continuity of a 'strict neutralist policy'¹⁷³ for some it was the same as espoused by his predecessor, Mr Bandaranaike (*Ibid* vol. 39, 20 April 1960, col. 422). After Mrs Bandaranaike came into power the leftists in her government used non-alignment to fight the West. For instance, Colvin R. de Silva as a socialist drew much analogies from Cuba facing the aggression of superpower the USA then. "Cuba is positioned near America. America is the most powerful country not only in today's

¹⁷³Macan Marker pointed out this similarity in Dudley Senanayake's policy as was mentioned in the Governor General's Speech

world, but in the history of entire history of world's capitalist system" (*Ibid*). In order to attack the imperialist dominance he suggested adopting a certain economic and political policy. This policy that he wanted the Government to implement was the nationalization of assets belonging to foreign companies in Ceylon. Like what Castor did after coming into power in Cuba, the left in Ceylon wanted to take over all the wealth and business owned by foreigners and foreign companies in Ceylon. He suggested that if in this process of nationalization Ceylon had to face any economic problem or 'embargo' it could look for the assistance from the Soviet Union (*Ibid*, cols. 475-477).¹⁷⁴

The leftist like Colvin R. de Silva attempted to define 'middle path' differently. He argued that it had nothing to do with by not 'belonging to any bloc' but by taking the side of 'justice'. He said when there is injustice done to the small states like Cuba, Congo etc. Ceylon needs to take the side of them and tell the world that oppression such states were wrong.

...When we say that all the people who expect freedom in the world should act against the imperialists in their capacities, we cannot tell that it will hurt the American camp ...that injustice cannot be done according to our policy (*Ibid*, col. 482, 3 November 1960).¹⁷⁵

FR Dias Bandaranaike also stated that Ceylon's foreign policy should 'throw its weight on the side of what the country honestly believes to be right, regardless of the question who is stronger or who is weaker' (*Ibid*, col. 570, 4 November 1960).¹⁷⁶

SLFP's Claims for Non-Alignment

Mrs Bandaranaike, as the opposition leader from 1965 to 1970, ardently defended that her Government had followed, 'consistently and courageously', a non-alignment policy in international affairs. The UNP allegations for her Government originated from the fact that the Warsaw Pact countries had supported her Government very closely. When the Warsaw Pact countries invaded Czechoslovakia the UNP attempted to embarrass the

¹⁷⁴ From the speech of Colvin R. de Silva, 3 November 1960.

¹⁷⁵ Translated from Sinhala.

¹⁷⁶ speech of FR Dias Bandaranaike

opposition leader by challenging her to condemn the act of aggression by the Soviets. And in her reply to the opposition in the context of the Soviet invasion of Czechoslovakia Mrs Bandaranaike stated that that 'her party did not hesitate to condemn it and to call upon the forces to withdraw immediately'.

...the S.L.F.P. issued a statement along with the L.S.S.P. condemning the aggression in Czechoslovakia, and we called upon the Warsaw Pact countries to immediately withdraw their forces from Czechoslovakia (*Ibid*, vol. 39, 20 April 1960).

Further Mrs Bandaranaike reminded the Government that she had criticised the Soviet Union at other instances too

In 1962 at the Belgrade Conference I criticised the Soviet Union along with the other countries for breaking the pause in nuclear explosives. We did not mince our words. We did not mince our word (*Ibid*, vol. 28 August 1968, 81 col. 383).

In questioning the predisposition of the UNP towards the West, the opposition leader Mrs Bandaranaike challenged it to 'demand the immediate withdrawal of the United States forces in Vietnam, and the immediate withdrawal of the Israeli forces in Arab territory'. The opposition and the ruling party of Ceylon challenging each other for condemning the great powers which were more or less not desirable to each other's foreign policy and this tussle between the two major political parties or coalition in Ceylon's political space was the dominant trend in the foreign policy milieu during the high tide of the cold war.

Neutralism or Non-Alignment

Leftists did not like the 'policy of neutralism' as it was enunciated by the Governments of Bandaranaikes. Keuneman said "A policy is something positive. When we ask for a foreign policy, we ask for the development of a foreign policy on the basis of certain positive lines"(HRD, 4 Nov 1960, col. 566). But he accepted that Mr Bandaranaike's foreign policy had 'a number of positive aspects' and 'we must admire and support' it (*Ibid*, col.529).

Therefore, the left partners asked the Government of Mrs Bandaranaike to continue the policy of Mr Bandaranaike, and told that they did not want her to "follow the policy of the Soviet Union" (*Ibid*). Also they were of the position that Ceylon's foreign policy

‘must make a contribution towards the ending of colonialism in the world, so that all countries can live as equals with others’ (*Ibid*, col.530). Further, he stated that foreign policy “must be that it will help to strengthen the political and economic independence of Ceylon” (*Ibid*).

FR Dias attempted to define what he meant by neutralism; as per his idea, neutralism did not mean that the country should keep itself without involving with international scenario.

...non-alignment or neutrality or dynamic neutralism, whatever the word may be, does not mean withdrawing one-self like a tortoise into one’s shell and pretending not to see the outside world (*Ibid*, col.570).¹⁷⁷

He also stated that “in all matters of international affairs, we owe a solemn duty to throw our weight on the side of what we honestly believe to be right, regardless of the question who is stronger or who is weaker” (*Ibid*).

As a non-aligned nation closely following India’s position in many of the international issues, Ceylon thought to voice its opinion in many cases of international significance. Ceylon believed that the non-aligned nations could exert a considerable influence in changing the international reality and public opinion.

...we believe that the sum-total of the weight that can be exercised in foreign affairs by all the countries which follow principles of non-alignment can make a very substantial impression on world opinion generally...(Ibid, ccol.571).

Extreme leftist criticism over the policy of neutralism points at something interesting despite all the avowals of having a middle path or neutral policy in international affairs. They argued that in many issues like Cuba, Congo etc. Ceylon had been cautious before taking a clear position over them. Therefore, neutralism was not something that was practice without having rational calculations over its possible consequences. And the left then alleged that the policy which had certainly been applied with caution toward one bloc of countries, Communist, was not at all a neutral policy. As K.M.P.Rajaratna argued

¹⁷⁷Speech of FR Dias Bandaranaike

even the foreign policy of Mr and Mrs Bandaranaike, who were recognised by many as ardent upholders of non-alignment was not so.

What is this neutralism? A big deception. It is program to deceive this country. Just because Ceylon had put up embassies in Soviet or China, we cannot tell that it is following a neutral policy. In that case America too has a neutral policy. Because America has a Soviet Embassy...it has embassies of communist states. Foreign policy cannot be measured just by that (*Ibid*, col.615).¹⁷⁸

However, the Government of Mrs Bandaranaike did not accept that it was following the line of the USA in foreign affairs. In support of Government's independent stance it attempted convince the Parliament with the practical implementation of its policy. Ceylon voted against the candidate for Presidency of the 15th General Assembly of the UN who was supported by the USA. Instead Ceylon had voted the candidate from Czechoslovakia. F.R.Dias Bandaranaike stated that this event is proof enough to show that Ceylon did not bow down to American imperialism or becoming one of its stooges (*Ibid*, col. 627, 4 November 1960).

Non-alignment for World Peace

Felix Bandaranaike, on behalf of Prime Minister Mrs Bandaranaike, represented the UNGA in 1964 and stated the significance of NAM for world peace. Sri Lanka always displayed its concern over small nations subjugated by big powers and attempted to represent their identity.

The examples of the Congo and Laos reflect the degree of disruption which has been brought into the lives of those nations with further accentuation of world tensions. We want to be in a position to make direct contribution to the cause of world peace and to the building up of a world order for international security. We think this can only be ensured if the peoples of Asia, Africa and Latin America can be insulated from external ideological pressures and cold war tensions (Felix R. Dias Bandaranaike on Non-Alignment (U.N.G.A.O.R., 16th Session, 1017th Pl. Mtg., Paras. 129–134).

Sri Lanka's representative at UNGA explained further that the 'ideological truce' in major region was important and wanted the great powers to assure their non-interventions and non-interference in internal affairs of the states.

¹⁷⁸K.M.P.Rajaratna's words translated Sinhala.

It seems to me, therefore, that an ideological truce covering Asia, Africa and Latin America is vital. The basic principle in the relations of the great Powers to these countries must be non-intervention and non-interference in internal affairs. For instance, military assistance to countries which need it for their internal security purposes should be given only through the United Nations (U.N.G.A.O.R., 16th Session, 1017th Pl. Mtg., Paras. 129–134).

Just before the shift in power in 1964, Mrs Bandaranaike once again stressed on the non-alignment in the Senate. And she said that “To say that we are non-aligned is no more than a way of saying that Ceylon does not propose to align itself with power blocs whether of the Western world or of the Socialist world”(Hansard (Senate), vol. 19, 23 Jan 1964, cols. 2391-2396).

She also pointed out the importance following a non-alignment policy in the context of Cold War.

In a situation of cold war between the N.A.T.O. Pact countries on the one hand and the Warsaw Pact countries on the other, the word non-alignment had a special meaning for us; that is to say, we did not propose to assume attitudes favourable to one side or the other, but would adopt an independent course of action regardless of such military alliances (*Ibid*).

Above statement depicts well how bi-polarity impacted on Ceylon, while non-alignment as a regional systemic outcome provided a shield to be away from bloc politics.

Non-alignment: No Third Force

Sri Lanka’s most ardent follower of non-alignment, Mrs Bandaranaike enunciated that non-alignment was not belonging to a third camp, sounding quite a similar view point to her husband and the founder of non-alignment, Mr Bandaranaike.

Non-alignment, therefore, does not become a concept of a third force in international politics. It merely means that each country that is non-aligned adopts independent judgements on foreign policy without being tied to the ideas or ideologies of opposing military power blocs. Non-aligned nations do not necessarily stand together on any given question. They are not even non-aligned as regards one another, or in relation to any particular dispute (*Ibid*).

While non-alignment was not seen as a third force, it was not an obstacle for standing on its own when it came to ‘particular international questions’.

The fact that Ceylon is a non-aligned country in the sense in which I have already described, it does not mean that Ceylon has no attitudes on particular international questions or that it is not willing to associate itself with other neighbouring and friendly countries in the pursuit of its own independent foreign policy (*Ibid*).

‘The third force’ argument was necessary because small countries could not even think of joining an alliance beyond the two major power blocs. If NAM was a bloc it would attract much resistance, but the NAM countries maintained relations with two great powers while declaring their non-alignment as opposed to joining a third bloc.

4.1.3. Non-Alignment and National Interest, 1960-64

As enunciated in the speech on the Government’s foreign policy delivered by Prime Minister Mrs Bandaranaike in the Senate on 23rd February 1964, the following points can be made as the key policy undertakings during the period.

Mrs Bandaranaike identified the foreign policy of her Government as a ‘policy of non-alignment’ (*Ibid*, col.2389). The opposition however alleged that the Government had pretended to ‘follow a policy of non-alignment’ and was ‘aligned with certain power bloc’, which Mrs Bandaranaike denied flatly (*Ibid*, col.2391). The meaning of ‘non-alignments,’ according to Mrs Bandaranaike, was more than ‘a way of saying that Ceylon does not align itself with certain power blocs’ (*Ibid*). As Mrs Bandaranaike stated the non- alignment found its ‘special meaning in a situation of cold war’ between two military alliances. The challenge before the small states was therefore to ‘adopt an independent course of action, regardless of such military alliances’ (*Ibid*). The countries which adopted non-alignment as their foreign policy had no uniformity among them regarding their policy. These countries ‘agree among themselves’ in some issues and regarding some other they disagreed. Therefore, Mrs Bandaranaike pointed out that “non-alignment...does not become a concept of a third force in international politics”, rather it provided these countries space to adopt an ‘independent judgment on foreign policy without being tied to the ideas or ideologies of opposing military power blocs’ (*Ibid*).

Mrs Bandaranaike participated in the non-aligned Conference held in Belgrade in August 1963. Belgrade conference of non-aligned countries addressed some general issues of

cold war tension; complete disarmament and banning of nuclear weapons. Non-alignment could form a general attitude towards such issues but it was not a third force nor did it bind the countries to commit to a common foreign policy. Mrs Bandaranaike thoroughly believed in this philosophy and acted within the boundaries of national interests and independence.

Third World Solidarity

Ceylon stood along with several other nations for regional and international cooperation. In the sphere of regional solidarity, Afro-Asian solidarity was sought after by the non-aligned nations, however it was not an obstacle to seek a broader cooperation with other countries in the world. Mrs Bandaranaike clearly enunciated the foundations of her non-aligned policy and stated that Ceylon had the interest for broadening international cooperation;

The concept of Afro-Asian solidarity, the principles of *pancha seela* – the ten principles formulated at Bandung – remain, however, as a valuable contribution. It has never been the view of our Government that non-alignment is a substitute for regional international cooperation or the association neighbouring countries, newly emerging from the yoke of colonialism to express themselves forcefully and fully (*Ibid*, col.2393).

Ceylon's attitude toward active involvement in discussing international politics attained a high degree during Mrs Bandaranaike's period. She emphasised the importance of and necessity of participating in many conferences as possible, regionally or internationally, which aimed at settling international disputes. One can imagine that Ceylon had gained a certain expertise during Mrs Bandaranaike's period by participating in several negotiating tables of regional and international crisis.

Being a non-aligned country did not stop Ceylon from its active participation international affairs. In fact it seems that nonalignment was defined by Mrs Bandaranaike as another political strategy, but not as a set of ideas to justify to evade facing the complex political milieu of international affairs.

...non-alignment must not be confused with other concepts and that in pursuit of its independent foreign policy non-alignment must not be mistaken for an isolationist attitude which would be the very negation of having a foreign policy at all (*Ibid*).

If the two power blocs were pursuing *realpolitik* aimed at hegemony, non-alignment had to consider the path of justice with careful analysis of the situation without even harming the national interest of the country. In this regard, Mrs Bandaranaike trusted more in the actions of the international forums. Moreover, the countries which were less powerful and weak in many a measurement of power, had to trust in what “moral weight” that they could generate to influence the international system. Ceylon’s idea of non-alignment during Mrs Bandaranaike was getting its shape with these conceptions of Mrs Bandaranaike in her outlook of world politics.

But if, after independent evaluation, we decide that the path of justice, of truth, and what conduces to peace, and which is ultimately in our national interests, is to throw moral weight on one side instead of the other, we would use the Councils of the world for that purpose (*Ibid*, 23 Jan 1964, col. 2395).

Mrs Bandaranaike’s view that ‘independent nations, though ‘small and militarily weak have a positive role to play in the world’ was something she attempted to put into practice (*Ibid*). That is why her pursuit of an active international policy was regarded as a ‘high profile’ approach, which is in fact unbecoming of a small power for some other critics during the heat of cold war politics. Nevertheless, starting from 1956, Ceylon’s international policy often was constituted with the ideas on world peace, avoidance of international conflicts etc. That’s why Mrs Bandaranaike contradicted with the idea of neutralism as opposed to non-alignment. She told ‘that washing hands off these issues’ following the classical idea of neutralism based on ‘non-involvement and splendid isolation’ had a ‘world of difference’ from non-alignment (*Ibid*).

The idea of an ‘international community’ is thoroughly etched in Mrs Bandaranaike’s conception of non-alignment. The United Nations was the highest forum that provided an opportunity for the majority of the small states to become equal among the unequal. Small states such as Ceylon cherished the membership of this forum and Ceylon had to wait for seven years after its formal independence from the British to receive its membership in the context of the great power tussle over the membership of former colonial states in the UN. As Mrs Bandaranaike reasoned “the very membership of the United Nations makes it vitally necessary that Ceylon regards herself as part of the

international community”(Ibid). In the cold war context, the role of the nations was to ‘express attitudes’ on international issues in the international forums and through the regional mechanism, and that was the way to ‘fulfilling responsibility’ in the international arena (Ibid).

In the Belgrade Conference of NAM in 1961 Sri Lanka’s Prime Minister presented what we can term a ‘Realist version’ for non-alignment in a context of greater power interventions in internal affairs of small powers in the world. She opined that non-alignment was not about ‘morality’ and it did not replace ‘national interest’.

I am sure that this **conference does not wish to pass moral judgments on the policies of nations**. We do not profess to be the guardians of international morality. Nor do we consider that our position of non-alignment makes us in any way morally superior to other nations in the international community... We must recognize, however, **that national policy is seldom divorced from national interest and that it is in the nature of international politics that competitive interests should arise**. We believe that the situation in Germany today should not be regarded a testing-ground for courage and will in the military sense, but as a practical challenge to the politics and strength of the forces of universal progress and of total peace (*Ceylon Today*, vol. X: 9, Sep 1961, Pp1-9; emphasis added).¹⁷⁹

She further requested the great powers to withdraw their forces from foreign countries.

The great powers must also agree to the withdrawal of all foreign armed forces from their respective sectors in Germany and to the demilitarization of Germany. The great powers must immediately get down to the task of re-opening direct East-West negotiations designed to achieve a final settlement by peaceful means (Ibid).

Sri Lanka was also concerned about nuclear wars and threat of aggressions and wanted the world to end the use of nuclear weapons.

The statesmen of the great powers, who have been placed in positions of trust and authority by millions of ordinary people who do not want war, have no right to assume that they have a mandate to precipitate a nuclear war and immense destructive power either to defend a way of life or to extend a political ideology (Ibid).

¹⁷⁹ Prime Minister Sirimavo Bandaranaike’s Speech at the First Non-Aligned Summit Conference, Belgrade, 3 September 1961.

Therefore under Mrs Bandaranaike non-alignment had a broader meaning which she remarkably used to present a political ideology meant for international peace sans nuclear weapons. In that context, it was India's attitude towards regional disarmament which mostly guided Mrs B's views and actions in the international realm mostly.

4.1.4. Non-alignment, 1965-1970.

The Government of Dudley Senanayake like every other Government before it declared that it stood by the principles of the non-alignment. An MP from the ruling party told the House of Representative in March 1966 that the Government policy was not 'influenced by any particular country in the world' (*HRD* vol. 65, 10 March 1966, col. 425). The Government sought "assistance, aid, help, technical assistance, financial assistance, economic assistance from every country in the world" (*Ibid*). It considered "every country to be friendly" (*Ibid*). D. P. R. Gunawardena undertook a tour in the Europe, both Eastern and Western Europe, just after the UNP assumed power in search of foreign aid. He emphasised that the policy of the Government was 'essentially of non-alignment' and it wanted 'aid and help from the Western sector as well as from the Eastern sector' (*Ibid*). The UNP's non-alignment was an economic pragmatism. J.R. Jayewardene's idea of non-alignment was nothing but economic gains from all countries despite their ideological positions.

We like to be non-aligned particularly because of the terrible financial mess in which we found ourselves in March 1965... I cannot see why we cannot get aid from West Germany, East Germany or from any country in the world which is prepared to give us aid (*Ibid*, col. 428).¹⁸⁰

The Governor General's Speech on 08 July 1967 briefly mentioned that in the field of international relations the Government would strictly follow the policy of non-aligning to any party and maintain cordial relations with all the countries (*Ibid* vol. 72, 8 July 1967, col. 6). The Governor General in his Speech in the year of 1968 referred to the foreign policy of Ceylon briefly;

The promotion of greater international understanding and establishment of a stable and just international order continue be one of the principal aims of the foreign policy of My Government.

¹⁸⁰speech of J.R.Jayewardene

It will give its full support to all efforts directed to this end, undertaken within the United Nations and outside (*HRD* vol.79, 07 July 1968, col. 40).

As usual, the Governor General's speech of July 1969 stated that the Government would continue to follow non-alignment in foreign affairs and develop friendly relations with all the countries. It also referred to the Government's support for the United Nations to create a stable and just world.

The non-alignment of UNP was critiqued as fake since it had an economic alignment with the West. As SLFP MP T.B. Ilangarathne explained, the UNP was economically dependent on the financial assistance from the World Bank and the IMF. It had taken 8,500 lakhs as loans from these financial institutions. The donors for Ceylon particularly came from the western camp. Therefore he argued that economically or politically the UNP had not followed a non-alignment policy (*Ibid*, vol. 80, 28 Aug 1968, col. 428).

Middle Path as Fake

The opposition challenged the middle path foreign policy of the Dudley Senanayake's Government as a farce. The Government was not bold enough to associate the communist countries, like the previous Government of Sirimavo Bandaranaike did in defiance of the West's restraints. For instance Parliamentarian Wijayasundara alleged that the ambassador in Moscow had not participated in a dinner organized by representatives of Vietcong in Russia. Also the opposition criticised the UNP for being pro-West and pro-American rather than following a non-aligned policy (*Ibid*, vol. 72, 16 July 1967, col. 326).

The UNP leadership projected its foreign policy as a non-aligned policy. A frontline Parliamentarian of the party R. Premadasa stood for this opinion in his speeches in Parliament.

As a party our party has followed a policy without being aligned to any power bloc, it has being on the middle path; it has stood for the noble independence of different nations of the world; it has accepted the independence status of nations to govern their countries and followed a middle path foreign policy; not only in the questions of South Vietnam, but in the case of Tibet, in the question

of Hungary, and the current issue of Czechoslovakia, the United National Party has followed a such policy' (*HRD* vol. 81, 27 August 1968, col. 243).¹⁸¹

Both the UNP and the SLFP pronounced that they wanted to be 'friendly with all countries'. The UNP wanted trade with all countries while the SLFP supported anti-colonial struggles of all countries, perhaps except in the East Europe where the Soviet sphere of influence existed; somehow being friendly with all was the only thing that Ceylon could afford with its all capabilities and the weakening economic conditions due to the primary product exporting economy facing an international market problem.

The opposition UNP severely criticised the non-alignment of the SLFP new government as a policy favouring Communist states only. J.R. Jayewardene the opposition leader states that his party, the UNP, would agree with the new Government's policy if it failed to follow a middle path in foreign policy. The UNP wanted the Government to declare that it would also accept South Korea and South Vietnam as friends. It questioned the policy of recognition of the Vietcong. Therefore the UNP's allegation was that the Government of Mrs Bandaranaike was fully aligned with the Communist ideology.

J.R. Jayewardene cynically rejected the both great powers and told that he was even ready to withdraw the membership of the UN and become friendly with all countries and get them all to assist Ceylon.

Colombo Conference of Non-alignment

Sri Lanka received the Chairmanship of Non-Aligned movement in August 1976. The conference was attended by 86 non-aligned member nations and 10 observer countries; and Mrs Bandaranaike's most remarkable achievements in her foreign policy was this Conference at a time when the Cold War heat was being felt the world over. It was revealed in the newspapers published during the Conference that the two great powers had attempted to win over the nations participating in the Conference to their sides in order to prevent any resolution passed against the policies of their countries (*Irida Lankadepa*, 5 Sept 1976, p.1). Sri Lanka which chaired the NAM Colombo Conference in 1976 presented some internationally significant proposals aimed at regional peace,

¹⁸¹ English translation from Sinhala language speech made by R. Premadasa.

disarmament, economic prosperity and communication among the Nam nations was seconded unanimously in the conference. The following are the proposals made by Sri Lanka's Prime Minister Mrs Bandaranaike in the Conference.

1. Making the Indian Ocean a Peace Zone
2. Establishing a separate Bank for the economic prosperity of the developing countries.
3. Holding World Disarmament Conference
4. Establishing News Service for NAM.

Sri Lanka proposals received unanimous approval from the conference. These proposals are witness for the desire of the NAM to amend the world order during that period. And Sri Lanka was one of the frontline countries, together with India, that expected changes in the world system in favour of third world nations.

4.1.5. 'Non-aligned Politics', 1977-1983

Sri Lanka's 'non-aligned politics' marked the turning point at the electoral defeat of Mrs Bandaranaike in the general elections of July 1977 and election of Junius Richard Jayewardene as the Prime Minister (Karunadasa 1997: 179), a post which was constitutionally changed into an executive Presidency making him the first executive President of the country in 1978. As a result of this electoral result the Chairmanship of the Non-aligned countries fell on J.R. Jayewardene whose 'non-alignment' had a qualitative shift from that of Mrs Bandaranaike's policy and in this section the study deals with the non-alignment under the under UNP regime from 1977 to 1983. This qualitative difference of the policy of non-alignment was inevitable when considering the ideological preference the two parties had, the SLFP being a pro-socialist' and the UNP being 'pro-liberal democratic and capitalist' in the Cold War context. However, the two parties made it clear that they were being pro-national interest in their dealings with the great powers. J.R. Jayewardene as the first Executive President introduced for the first time in Sri Lanka a separate Ministry for handling foreign affairs, whereas the previous Heads of the Governments were the sole authority over foreign policy. This move to introduce a separate Ministry for the subject of foreign affairs did not mean that the President as the Executive lost the authority over foreign policy, on the contrary, while

remaining as the sole authority over the foreign policy decision making the introduction of a separate Ministry was just to showcase that unlike Mrs Bandaranaike whose political aura was based on her international visibility, Jayewardene wanted to pretend that 'local politics' was more important than 'international politics' for him. Jayewardene's unwillingness to play an international role based on the principles of non-alignment was shown in his speeches at the National State Assembly in 1978.

Small countries like Sri Lanka, taking high profile and partisan postures in the name non-alignment are counterproductive and it should become the Switzerland of the East with no deep involvement in controversial global issues (Jayewardene 1978).

At the election campaign Jayewardene alleged that Mrs Bandaranaike as the leader of non-aligned countries was a world leader but not the leader of the people and had very little concern over local issues and told that he would reverse the situation. Mr A.C.S. Hameed, a Muslim, was appointed as the first Foreign Minister of the country.

Sri Lanka held the Chair at the Havana summit held in 1978. During the period from 1978 up to 1983 the Minister of Foreign Affairs, A.C.S. Hameed made several statements regarding the policy of non-alignment as the 'bedrock' of foreign policy of the Government headed by an Executive President, J.R. Jayewardene. Foreign Minister of Sri Lanka expressed the commitment of Sri Lanka to the 'ideals and principles of nonalignment' at the Ministerial Meeting of the Co-ordinating Bureau in Havana. The UNP regime continued to praise much of what its former leaders achieved through non-alignment and was never appreciative of what Mrs Bandaranaike had achieved at the international level. The ideals the UNP leadership were committed, therefore, to be the ideals espoused at Bandung where then Prime Minister John Kotelawala made a blitzkrieg remarks against the USSR and China over their 'communist imperialism,' which was praised in the West but was never received well at regional and local levels. In general the UNP regime appreciated the efforts of the non-aligned nations to win membership of the UN for the socialist nations like Vietnam. Also Sri Lanka under the UNP regime supported the movement of non-aligned nations for disarmament at world level.

At the Havana Ministerial Meeting of the Non-aligned summit Foreign Minister mentioned about the Indian Ocean Peace Zone as well.

...we have noted that although the U.S. and the U.S.S.R. continue to have bilateral talks, we are not convinced that this will bring our goal of a Zone of Peace in this region any closer. Our fear remains that agreements will be reached, without consulting the countries of the region, limiting their military presence instead removing them, carving out spheres of influence and demarcating boundaries for the military activities of each other (Hameed 1988).

In November 26 1980 SLFP Parliamentarian Anura Bandaranaike criticised the non-alignment of the UNP regime. Most importantly he attempted to define what non-alignment means, and accordingly,

Non-alignment is not..., as the late Mr S.W.R.D.Bandaranaike quite rightly said at the United Nations, a total commitment. It is not a total commitment. Non-alignment gives you the freedom, gives you the fearlessness and the right to express your view on international affairs irrespective of the consequences. That is what non-alignment means. It does not mean we should stay in the middle, keep everybody happy, and get the best benefits from all and carry on (*Parliamentary Debates* 13:2, 26 Nov 1980, col. 295).

Anura Bandaranaike also went on to compare the policy of non-alignment which was practiced by SLFP when it was in power and its difference with the UNP's idea of non-alignment.

Not only has the Sri Lanka Freedom party fearlessly criticised the Chinese invasion of Tibet, the Soviet invasion of Czechoslovakia and the American invasion of Vietnam, but we have always fearlessly taken the side of the people of Sri Lanka and criticised even our friends. That I think...is one of the basic foundations of non-alignment, one of the basic foundations on which it rests (*Ibid*).

The UNP's policy of non-alignment was best explained by its Foreign Minister who told in Parliament that the Government 'have to act within limitations' (*Ibid*, col.314). He stated this in answering to the question of the Government's attitude toward involving in international conflicts; a subject the UNP regime was very careful in getting involved itself.

He (one opposition member) goes to the extent of saying that we should intervene and use our good offices and image with the international community to find solutions to questions like

Kampuchea, to the Gulf war and also to reduce the militarization of the Indian Ocean. I am happy that the hon. Member has that amount of confidence in us. But I wish to say that we have to act within limitations (*Ibid*).

Sri Lanka found NAM as a forum to discuss the issues of international security arising out of border disputes. Under the UNP regime in 1981 Sri Lanka submitted a proposal to on the border and boundary disputes for the establishment of a permanent border dispute commission (*Ibid*, col.316).

Sri Lanka stood for complete disarmament and wanted the 'arm race and dangers it poses to mankind' stop. Sri Lanka's President also suggested the establishment of a World Disarmament Authority in the context of Non-Aligned countries calling for a Special Session on Disarmament. It was the expectation of Sri Lanka that the 'Disarmament Authority could eventually play the role of controlling and regulating the production and distribution of armaments' and promote 'international peace and security without any prejudice to Security Council carrying out responsibilities' under the UN Charter (Hameed 1988: 232).

Problem of Interference

Another major concern of Sri Lanka at the NAM was 'the problem of interference in the internal affairs of States' which was first discussed at the Colombo Summit. Sri Lanka supported the UN Resolution 1514 (XV) which called for non-interference in the internal affairs of States and regarded it as a significant achievement in the struggle against colonialism (Hameed 1988:232). Sri Lanka was also concerned about the presence of USA and USSR in the Indian Ocean. Foreign Minister told in Havana in the preparatory meeting of the non-aligned conference in 1978 that the bilateral talks between the two super powers have not convinced the country that it will bring the goal of a Zone of Peace in the Indian Ocean region. Sri Lanka firmly stated that it 'stand uncompromisingly for a total elimination of great Power military presence and bases as being the only certain means of removing tension and conflict in the area' (Hameed 1988:234).

In 1979 Sri Lanka submitted a proposal at the NAM Foreign Minister's Meeting to establish a "Border Dispute Commission". As the Foreign Minister explained this commission was not intended to function as 'a police' or be a 'substitute for the Security Council'. He told it wanted to strengthen the 'Security Council' and was premised on the fundamental need for peace and stability of every Non-Aligned nation.

As Foreign Minister Hameed stated the UNP regime followed a policy of strict non-alignment; he said further that it was paradox that when the country became more non-aligned the more difficult and delicate it would be the exercise of foreign policy. He also accepted that non-alignment did not mean that the country was 'sitting on the fence'. As he explained the idea of neutralism was 'a by-product of Big Power confrontation. Non-alignment is a by-product of East-West power conflicts' (*Parliamentary Debates* 13:2, 26 November 1980, col. 317).

J.R. Jayewardene's non-alignment was described by critics as a 'neutralist' policy of Switzerland type (Karunadasa 1997: 179). Jayewardene's regime from 1977 to 1983 attempted to distance itself with international issues as much as possible and concentrate instead much on economic development. The debates in Parliament up to 1983 during this period is full of speeches on foreign investment and the rise of Tamil extremism in Sri Lanka¹⁸² and it hardly referred to foreign policy in terms of political issues. His regime supported multilateralism and regionalism when it comes to deal with international economic incentives or the regional political pressures.

4.1.6. Analysis of Non-Alignment (*Nobandi Piliwetha*), 1956-1983

The whole mark of the declared policy of Ceylon during the period from 1956 to 1983 would be their devout commitment to the policy of non-alignment or '*nobandi piliwetha*'

¹⁸² In the general elections of July 1977 the SLFP was relegated to only 8 seats out of 168 in Parliament and the opposition leadership fell on the TULF that swept the votes in the Tamil –dominated northern peninsula, averaging a over 80% of the votes and 17 seats there, being the second largest party in the Parliament. The country was seen as ethnically polarised clearly at the elections. The UNP with 136 seats in Parliament never liked the opposition leadership of the Tamils who wanted devolution as a measure for their political grievances. The Marxist parties could not win any seat though they contested for 135 seats (see Samaraweera 1977: 1203)

as the central guideline to international relations. Nevertheless, the worldview of each Government and its external policy determined the degree of the policy of non-alignment that would be applied on their 'friendly' and 'not so friendly' powers. Here the terms 'friendly' and 'not so friendly' differentiate the major powers according to the preference of each Government and prevent the friend/enemy dichotomy in international relations which the countries, including Sri Lanka, pursued during this period of volatile Cold War politics. Sri Lanka in South Asia did not feel the heat of physical war, but it of course underwent diplomatic and economic compulsions at any given moment from any of the two power blocs and then its declared policy of non-alignment in fact constituted much of the capability to resist the pressure from great powers. Ceylon's active role in the movement of non-alignment also had its beginning and decline in this period. Most of the analysts of Sri Lanka's policy of non-alignment stated that it was after 1956 that the country really began to be non-aligned (Nissanka 1984). And after 1978 non-alignment of Sri Lanka began to lose its vigour, and the small state was becoming closer once again with the West.

The major conclusion that we can draw from the declared policies of all the Governments is that none of them was willing to accept that they had followed an externally aligned policy to any of the two blocs. The clear distinction between the UNP and the SLFP would be that the UNP declared openly in many occasions that its policy is to receive economic aid from the two blocs, while the SLFP under Mrs Bandaranaike was following a 'high profile policy' of engagement with the issues of the major international concerns and the major powers' involvement. The UNP compared to the SLFP wanted to hide its policy and show a low key interest and its use of diplomatic language always showed the idealist and liberal nature that covered its anti-Communism failingly.

However, non-alignment or the middle path, two interchangeably used terms were mostly used to give a 'religious tone' rather than connoting and practising its political conceptions.¹⁸³ Here the two parties which governed the country decided the two

¹⁸³ In Buddhism, the majority Sinhalese religion in Sri Lanka, "Madyama Prathipadawa" (middle path) becomes the central teaching for lay people to adjust their lives to a path away from extreme sufferings and extreme comfort, which the Buddha prescribed for the lay people was a that did not follow extreme ends

extremes as USSR and the USA; and they tried or showed to be in between of them and not be aligned to any of them. But in finding the middle point between these two extremes, the UNP situated its policy closer to the USA and the SLFP to the USSR. Therefore the two Governments accused each other for not being on the middle path but being aligned to their favoured bloc. The favouritism of these two parties came up clearly at the time of international conflicts involving two great powers. The UNP was highly cautious to condemn the USA if it had been the real aggressor, while the SLFP followed the same policy regarding its favourite USSR.

Non-alignment of Ceylon was mainly determined by the regional structure of power dominated by India. It was purely an outcome of sub-systemic pressures on Sri Lanka. Ceylon was criticised at times for following the lead of India, particularly during the SLFP-led coalitions. Since India stood for a middle path Ceylon's attitude towards military alignments was highly limited. The membership of regional military alliances like SEATO was not to be desired by Ceylon as long as India was non-aligned. The UNP was again willing to explore more regional economic alliances like ASEAN but finally the deciding factor had to be India. In the next section the study discusses Sri Lanka's commitment major normative issues in international politics during 1956- 1983 period.

4.2. Commitment to World Peace

Sri Lanka's role in promoting international peace, conflict resolution, and disarmament, anti-proliferation of nuclear weapons, socialism, democracy and peaceful coexistence is analysed in this section. Particularly, its role in international organizations is traced. While analysing the events in which Sri Lanka played an active involvement or strategic non-involvement in international conflicts what was its major drive? Was Sri Lanka's normative policy designed in order to please regional power India? Had Sri Lanka bandwagoned with India's normative approach during this period? Answers to these questions are expected in this section

First this section traces back the aspect of Sri Lanka's international role at the times of conflict involving various nations. Second it also looks at Sri Lanka's role within

international organizations. Third Sri Lanka's proposal for making Indian Ocean a Peace Zone will be discussed as another dimension of normative political commitment.

4.2.1. Sri Lanka's Role in International Conflicts, 1956-1983

As a member of several international organizations, the UN, Afro-Asian Conference etc., Sri Lanka was often required to take positions on conflict situations in the international and regional environment. Its stance on such issues, however, was based on, as we noted below, non-alignment, unity or disharmony with India in the region, and membership of the Third World groupings and the UN in general; Ceylon identified itself as a small state in the world of power imbalance and hierarchy, and thus it attempted to become a voice of the third world very often. In the meantime the hidden sub-text of Sri Lanka's voice and action against aggressive interventions of the major powers in third world or weak states also reflects its own experience with India's pressure, at least during the UNP regimes. Mainly, the SLFP under Mrs Bandaranaike had been more expressive in denouncing the acts of major powers on small states, but the UNP was careful not to antagonize the West very often. On the other hand, this analysis would also bring into surface the soft corner of the SLFP toward the Communist powers. Mainly, this section inquires into how Sri Lanka responded to some of the international conflicts during the high tension era of bi-polarity and at the same highlights whether it attempted to tread together with India in its line of foreign policy or not.

Sri Lanka on Crisis in Egypt and Hungary

Intervention of great powers in Egypt and Hungary put Ceylon on quandary. In a conference held in New Delhi by the powers of the Colombo Plan, Ceylon's Prime Minister expressed the country's position regarding the great power intervention on lesser powerful states. Ceylon joined India, Burma and Indonesia in issuing a joint communiqué regarding the situation in the two states facing conflict. With regard to Egypt Ceylon expressed that it was unjustified to station foreign armies by Israel, France and Britain in Egypt (*HRD* vol. 27, 11 December 1956, col. 794). On the Soviet intervention in Hungary, Ceylon Prime Minister held the view that such incidents should not have taken place. Also Ceylon hoped for 'ceasefire' and requested the USSR to withdraw its forces

from Hungarian territory. As Ceylon Prime Minister revealed the joint communiqué of the Colombo Powers was ‘an important statement’ which had an ‘influence’ both on ‘the discussion of the United Nations’ and ‘a good many countries in the world’ (*Ibid*). At the UN debate on Hungary and Egyptian crises Ceylon represented the view of the Colombo Powers.

In his meeting with British Prime Minister Sir Anthony Eden, Ceylon Prime Minister ‘pressed upon him’ ‘Ceylon’s and Asian powers’ view that they did not justify the action of the Western nation on Egypt. He stated that there should be an “unconditional withdrawal from Egyptian territory of British, French and Israeli forces” (*Ibid*). Ceylon Prime Minister stated that he visualised the developing crisis over the Suez crisis if the major powers involved in it did not regard the concerns of the Asian Powers in the Cold War context. Therefore, the requests made by Ceylon and Asian Powers were aimed at the deescalating crisis in Egypt on the Suez Canal.

Sri Lanka fundamentally objected to the intervention of powerful nations on internal affairs in weak and small powers. In its position on Hungary and Egypt this view point was made clear by Ceylon Prime Minister in the UNGA. In his words Ceylon fundamentally objected to “powerful nations trying to impose its will on weaker nations at the cost of so much human suffering” (*Ibid*, col.799). Bandaranaike’s policy received approval among the leftist and centre-left politician in Parliament. They appreciated that Ceylon had followed the view point of the Prime Ministers of South Asia, especially that of India’s Premier. Over the statement Prime Minister Bandaranaike made in Parliament regarding his position over Egypt and Hungarian issues, Leslie Gunawardena stated that Ceylon’s Prime Minister, along with other Prime Ministers of South, Asia had taken ‘a clear stand’ in demanding ‘the withdrawal of all foreign forces, British, French and Israelis from Egypt’(*HRD* vol. 27, 18 December 1956,col. 1060). Regarding ‘the aggression committed by the Government of the Soviet Union’ on Hungary Ceylon had taken ‘along with other South Asian powers’ correct principle (*Ibid*).

... we acted” in the case of Suez Canal, “as we thought was just. Our attitude at the London Conference was to recognise the legality of the nationalisation and its corollary, the right to control Suez canal, and to suggest, as there were international interests also, that some convention

should be again signed on the lines of the Convention of Constantinople of 1888 preserving those international rights and appointing some consultative Committee which would consult the Egyptian Government in the operation of the canal and if any dispute arose that that matter be referred to an impartial board of arbitration, perhaps under the auspices of the United Nations (Ibid, col.1159).

Allaying the fears of his local supporters in Parliament that Ceylon's stance on Egyptian issue had led to the misunderstanding with Egyptian Government, Bandaranaike read out a letter received by him from President Nasser on 3rd of September 1956. The letter had thanked the Ceylon Prime Minister for his stance on the international arena in the case of Suez crisis. The Egyptian President mentioned in the letter that Ceylon had undertaken a "wise and fair attitude" and he appreciated "its support of the right of Egypt to nationalise the Suez Canal Company and to safeguard its own independence and dignity" (Ibid, col.1158). Ceylon's approach in regard to national independence and sovereignty of nations was clear in the Egyptian case, though, it may have received criticism when it was under threat of suppression in the hands of the USSR.

Bandaranaike regarded Hungary and Egypt as two different cases. In the Egyptian case it was referred to the Security Council with the consent of Britain, France and Egypt. They all had agreed upon the six principles as a basis for negotiation. However, during the Hungarian crisis the USSR suspected that "there was a two-pronged onslaught on it", from Western Asia and Eastern Europe. The USSR acted strongly for its security with the fear that it had been encircled. Ceylon Prime Minister approached the Hungarian crisis with this realistic understanding in mind. Bandaranaike told Parliament that though it could be true that USSR acted given the security concerns it was facing then, "we cannot justify a great power using its giant strength against a large section of the people of a small country" (Ibid, col.1159).

Ceylon despite its newly established relations with the USSR had taken a position that sought justice for the Hungarians. It deplored the 'incidents that happened in Hungary' (Ibid, col.1160). And its position was that 'Russian forces be withdrawn from Hungary and Hungary let free to work out her own salvation' (Ibid). Bandaranaike made it very clear that his Government had 'sympathy' over small states that were facing the threat of

intervention by larger powers. According to him Ceylon's own experience under British colonialism had taught it the lesson of suppression under alien powers.

Ceylon was part of the UN Committee of Inquiry into the issue Hungary, but when the Resolution on USSR and Hungary was presented before the UNGA, "Both India and Sri Lanka abstained from voting on the 7 power resolution number 1015-ES II" (Nissanka 2005). Bandaranaike told the House of Representatives that Ceylon had to abstain as the resolution which asked the parties, in its operative part, to refrain from 'taking repressive measures on the people who had left Hungary and wished to return and provide them with a certain amount of freedom' (*HRD* vol. 29, 19 Sept 1957, col. 337). Bandaranaike justified Ceylon's position by arguing that the movers of the resolution did not accept any amendment on it.

Sri Lanka on Crisis in Lebanon and Jordan

Regarding the West Asian crisis in 1958,¹⁸⁴ Ceylon had to raise its voice as a small power in South Asia and with greater concerns of its traditional relations with the Arab world. Bandaranaike vehemently argued that military intervention in West Asia by the UK and the USA was against the norms of the UN Charter. He drew from the relevant sections of the UN Charter and protested the use of force by major powers: "...these forces, the United Kingdom and the United States forces, must be withdrawn and withdrawn without delay" (*HRD* vol. 32, 14 August 1958, col. 316).¹⁸⁵ On the other hand, Bandaranaike's stance on West Asian crisis was emboldened by the Resolution that the USSR in the UNGA. The Resolution brought up by the USSR asked the UK and the USA 'to withdraw their troops from the territory of Lebanon and Jordan without delay'. Bandaranaike told the Parliament that he was "fortified by the views of Mr Khrushchev" and "these views corresponded entirely with his own" (*Ibid*).

¹⁸⁴ See for a detailed account of the crisis in the Middle East in 1958 in the chapter of M. Joyce (2008) *Anglo-American Support for Jordan: The Career of King Hussein*, Palgrave Macmillan, New York.

¹⁸⁵ Speech of SWRD Bandaranaike in

Similarly, leftists in Ceylon Parliament wanted the Government to react strongly against the landing troops in Lebanon and Jordan. A private member motion was moved in this regard to condemn the actions of great powers in the region and it read as the following;

That in the opinion of this House the landing of American and British Troops in the Lebanon and Jordan are acts of imperialist aggression and intervention in the internal affairs of these countries, and constitute a serious threat to world peace, and this House call upon the Governments of the United States of America and Great Britain to immediately withdraw their troops from the countries (*HRD* vol. 33, 17 Sep 1958, col.141).¹⁸⁶

When the Resolution was brought before the UN for condemning the acts of aggression by the UK and the USA on Jordan and Lebanon the assembly failed to pass it with majority. Bandaranaike informed Ceylon Parliament of the result and said that “This Assembly is not very much different from its predecessors, the League of Nations, which Lenin once characterised as “The thieves’ kitchen” (*Ibid*, col.160).

Furthermore, he mentioned that though Ceylon “a small country, should state our position clearly. These are not ordinary events; these are events that affect the peace of the world in which we ourselves have a vital interest” (*Ibid*). Likewise, Ceylon’s leader spoke with the voice of a major power, though in reality Ceylon’s views had gained credence only in the bipolarity’s context where major powers were competing in an ideologically defined structure of power.

Further, Bandaranaike told the House “It does not matter to us whether it comes from the U.K. or the U.S.A. or the U.S.S.R” when it comes to stand against their actions if they obstruct freedom of small states (*Ibid*). Far leftist members like Samarakkody viewed the action of the British in Lebanon and Jordan as something against the unity of the Commonwealth. The British had never consulted the Commonwealth before they invaded the countries concerned and the left typically called the Commonwealth ‘a cover under which Britain may carry on her imperialist policies’ (*Ibid*, col.191). Nevertheless, Bandaranaike pointed out that “every member of the Commonwealth is completely free to do as it wishes in both internal and external affairs” (*Ibid*, col.197). However, it is clear

¹⁸⁶MP from the District of Gampaha S.D.Bandaranaike moved this motion and Prime Minister Bandaranaike was not quite happy over his action.

that Bandaranaike did not go to attack the Commonwealth in the same fashion as his left-leaning colleagues used to do so.

Importantly, Bandaranaike took the example of India as a state within the Commonwealth but having its own way as a Republic. He asked “Can anyone with a grain of sense, of fairness, say that Shri Nehru is a stooge of Britain?” He pointed out that “India is a member of the Commonwealth and a Republic within the Commonwealth” (*Ibid*). Bandaranaike denied the argument that “being a member of the Commonwealth” implied “some sort of subservience to Britain” (*Ibid*). His argument was that being a member of the Commonwealth did not mean that “we are under Britain”, “but we have a certain link with India, Malay...” etc. (*Ibid*). Still he told the House that if the situation arises for Ceylon to leave the Commonwealth it would do so in future (*Ibid*, col, 198).

We will consider in due course, if our connection with the Commonwealth of Nations hinders us in any way or binds us to something that we do not like. Certainly, in such an event we will all decide to leave the Commonwealth (*Ibid*).

The fervour with which Ceylon approached the Commonwealth under Bandaranaike was significantly displaying his allegiance to India. The post-1956 foreign policy of Sri Lanka thus records an unprecedented friendship with India, subjected to the ire of the West. Thus the normative influence of the regional power played a role of bringing the small state under the regional leadership.

Crisis in Algeria, Cyprus and Kashmir

On the Kashmir issue which had sprung as a result of partitioning India at independence Bandaranaike stated that “it was a problem of importance as it involved two friends who happened to be neighbours” (*HRD* vol. 29, 30 July 1957, col. 177). Here Ceylon could not state much on this issue since its sensitiveness was well-read and known to its leadership.

Over the issue of ‘partition of Cyprus’ Ceylon expressed its displeasure. Bandaranaike stated he was ‘strongly opposed’ to the way Cyprus as a small state was being partitioned among partitioned among communities-Turkish and Greek settlers (*Ibid*). Bandaranaike held the view that the countries under subjection should achieve freedom and not just be removed from foreign occupation. In his view “...if the British withdrew from Cyprus”

allowing Cyprus to do what it liked “it will not solve the problem”, rather he said “we naturally want to see some of these countries under subjection advance to freedom” (*Ibid*). He accepted that Cyprus’s problem was “bit complicated” because of certain other countries, Turkey and Greece (*HRD* vol. 33, 17 Sep 1958, col. 203).

Ceylon took the side of Afro-Asian Group in the issue of Algeria when the subject was taken up at UNGA. Bandaranaike followed this general policy regarding Algeria for three years under his Government, but he accepted his policy regarding Cyprus had a difference (*Ibid*, 34, 6 Aug 1959, col. 348).

Sri Lanka on Congo

Ceylon’s position over the ‘vexed issue of Congo’¹⁸⁷ in 1960 came to be questioned in Parliament. Ceylon was one of the two countries which moved a Resolution in UNSC to deploy UN forces to establish law and order in Congo (*Ibid*, 41, 3 Nov 1960, col. 450). Jayewardene criticised the Government that UNSC’s action supported by Ceylon had resulted in political instability in Congo that replaced elected President Lumumba and led to internal conflict (*Ibid*, 3 Nov 1960, col. 452).

if we are not ready to support their freedom movement that will be not only a blow to the freedom movement of African people but to our own...the freedom that Ceylon had received today was a result of the revolutionary freedom struggles of the nations like India and Burma, and we should not forget that (*Ibid*).¹⁸⁸

Within forty eight hours after forming the new Government in Congo external intervention took place on it. Belgian Government’s armed aggression on Congo was condemned by leftist in Ceylon. Ceylon supported a Resolution in Security Council to assist the Government of Congo which was criticised by the opposition parties but the left parties in the Government pointed out that Ceylon had not wanted to subvert Lumumba’s Government but only to see that the UNSC would help stabilize the political situation there. As peter Keuneman read out in parliament, the NSC would “take steps in

¹⁸⁷JR Jayewardene spoke on the issue of Congo and alleged that Government was responsible for the manner in which Ceylon’s UN representative acted in the case of Congo issue.

¹⁸⁸Translated from Sinhala) from the speech of Colvin R. de Silva, 3 November 1960, col. 482.

consultation with the Government of the Republic of Congo, to provide the Government with such military assistance as may be necessary ...through the Congolese Government” (*Ibid*, 4 Nov 1960, col. 518;).¹⁸⁹ The Government of Ceylon viewed this as a ‘very good Resolution,’ and the leftists praised it to be ‘perfectly good’ (*Ibid*, 3 November 1960, col. 482).¹⁹⁰ Nevertheless the leftists also showed that Ceylon’s representative at the UNSC had ‘voted down’ two amendments brought to strengthen the Resolution. The first of those amendments wanted to “condemn the Belgian Government for sending troops into Congolese territory” and the second amendment “called for the immediate withdrawal of the foreign troops from the Congo” (*Ibid*). A third amendment to the Resolution which suggested to ‘give military assistance by African states’ was voted in favour by Ceylon (*Ibid*).

Contrary to what was expected from the UN intervention in Congo things turned upside down as ‘the legally elected Prime Minister of the Congo was put under virtual house arrest’. In this topsy-turvy of events Ceylon’s position on Congo seemed to undergo some change as it justified the situation in Congo after the UN action. It was because the West had changed its position on the ground that the USSR was taking ‘unilateral action’ on its part. But Ceylon “associated itself with the resolution reaffirming the recognition of the Lumumba Government” (*Ibid*).

Meanwhile FR Dias Bandaranaike told the House that Ceylon was sponsoring another Resolution in conjunction with a number of other Afro-Asian nations. This resolution was suggesting that the “representative of the duly elected Government of Mr Lumumba should take their places in the councils of the United Nations to settle their own affairs” (*Ibid*, col.563).¹⁹¹ Ceylon seemed to want to correct if anything wrong had been done to Congo by its previous actions supporting the UNSC resolution through this action. In the case of Congo, it is clear Sri Lanka had first supported the UN procedures as a Security Council member of the world body. But, as Nissanka (2005) points out Ceylon’s actions were handicapped by the lack of information from the Congo region;

¹⁸⁹ Peter Keuneman’s citation from the Resolution supported by Ceylon in the UNSC.

¹⁹⁰Speech of Peter Keunaman.

¹⁹¹Speech of FR Dias Bandaranaike reported this in HR with applause.

Sri Lanka was handicapped by lack of information as there was no embassy in Central Africa. Sir Claude Corea provided information that he could gather from the United Nations and briefed Mrs Bandaranaike. Cold War entered the Congo issue. The UN sent 3,500 troops to maintain law and order. Sir Claude Corea took the initiative to bring forward Sri Lanka-Tunisia resolution number S/4405 (Nissanka 2005).¹⁹²

As Nissanka (2005) shows “being a member of Security Council Sri Lanka responded well to reducing tension in Congo” (no page num). Sri Lanka sponsored resolution was “unanimously adopted by the Security Council on July 22nd 1961” and it “had lot of political wisdom” (*Ibid*). Finally, as Sri Lanka realized that due to the UN action Congo’s legitimate government collapsed, then Sri Lanka was turning toward Afro-Asian unity in order to voice its concern for Congo.

On US’s War on Vietnam

Nissanka (2005) observes that “escalation of the Vietnam War provided for Sri Lanka opportunities through which to contribute positively to reduce world tensions particularly through the United Nations”. Nevertheless, Ceylon’s stance on the war in Vietnam involving the USA and its allies came to be questioned in Parliament as the local Buddhists protested the war in another Buddhist dominated state. In the Parliament the nationalists and the leftists together forced the Government of Dudley Senanayake to condemn the war atrocities perpetuated by the USA in Vietnam. A specific joint motion was moved on Vietnam in Parliament and the position of the opposition parties, the SLFP, CP, LSSP etc. was made clear that they wanted the ruling UNP to condemn the USA, which the UNP was always reluctant to do. The motion of the joint opposition mainly wished

To condemn the bombing of various parts of Vietnam by U.S, aircraft (b) to condemn the persecution of the Buddhists in South Vietnam by Cao Ky Regime supported by the USA, and (c) to demand that the Geneva Agreement of 1954 should be respected and all the armed forces of the USA and its allies should be withdrawn from South Vietnam (*HRD* vol.67, 21st July 1966, cols. 968-9).

¹⁹² See, “50 years of Sri Lanka in the United Nations” by H.S.S. Nissanka, [Online] URL: <http://archives.dailynews.lk/2005/12/14/fea01.htm> accessed 10/7/2016

The Government voted against the motion consisting of these demands by the opposition. Some Commonwealth countries like Australia and New Zealand had also sent their forces to Vietnam and Ceylon did not condemn that either. Prime Minister Dudley Senanayake in his reply to the opposition which alleged his failure to condemn the war in Vietnam accepted the issue to be 'important' and feared that it would become a world conflict. The Government was very cautious in taking an outright position on the Vietnam War, but the suppression of Vietnamese Buddhists became a concern as well. Therefore, the Prime Minister stated in the Parliament that "...we as a Government deplore the bombings of North Vietnam because it has dangerous potentialities of escalation into something very much larger..." (*Ibid.* vol. 69, 20th August 1966, col. 446). As the outcry of the opposition grew in scale the Prime Minister made a statement on Vietnam in Parliament (*Ibid.*, col.575).

Prime Minister Dudley Senanayake revealed the official position of the Government on the statement made by the President of America on the bombing of the Democratic Republic of Vietnam in Parliament on 07 April 1968. In his statement the Prime Minister did not use the word 'condemn' at any point and was very careful to limit his position to a highly diplomatic statement. Instead of condemning the bombing of Vietnam by US troops the Prime Minister stated the following;

I have always advocated the stoppage of the bombing of North Vietnam. We have supported the Geneva Agreement as the basis for a solution of the Vietnam problem, and we deplore all violations of this Agreement from whichever source these originate (*HRD* vol. 77, 07 April 1968, col. 2803).

Ceylon wanted to prove its neutrality in the conflict of Vietnam. The Prime Minister even had offered Ceylon as a neutral venue for negotiations for a just and fair resolution for the conflict. Nevertheless, the Government of Ceylon acted with care and did not want to anger the US, the UNP regime's major ally during the period.

Also in 1968 in Throne Speech the Government had referred to the Vietnam issue but stated that it welcomed negotiations between the parties to the conflict.

My Government has always viewed with great distress and anxiety the tragic conflict in Vietnam and welcomes the talks now in progress. It is the earnest hope of my government that these talks

will move towards the finding of a just and lasting settlement which will accord with the interests and wishes of the people of Vietnam (*HRD* vol. 79, 7th July 1968, col. 40).

The Government however never wanted to condemn the dominant power USA at any time and it never directly referred to USA as ‘the aggressor in the war’ (*HRD* vol. 79, 19 July 1968, cols. 519-20). The Vietnam War, which ran very long, stands as an interesting case study in which we observe that the two regimes, SLFP and UNP, responded differently under the conditions of bi-polarity.

Sri Lanka as a Voice of Small States

Prime Minister Bandaranaike’s point of view on small states in fact received much amplification in the voice of the leftists in his Government. Speaking on the conflict facing Algeria Bernard Soysa¹⁹³ stated that “we should enter a protest and act in such a way as to safeguard the interests and the right of self-determination of these small countries” (*HRD* vol. 32, 14 Aug 1958, col. 285). The post-1956, Sri Lanka acted as a true friend of the small states and this was much because of India’s influence and example in that direction.

Ceylon had supported the UN’s intervention in Congo as a member of the UNSC. This support was meant for “preserving the territorial integrity of Congo and of the preventing the perpetuation of colonialism and neo-colonialism through Belgian and other para-military forces in any part of Congo” (*Ibid*, 23 Jan 1964, cols. 2396-7). Ceylon’s expectations over peace in Congo shattered when the UNSC did not follow the resolution and President Lumumba was brutally assassinated.

Ceylon supported the independent existence of Cuban state. Mrs Bandaranaike stated that “imperialist forces” attempted to “limit or contain Cuba’s right to follow the ideology of her choice” (*Ibid*). Ceylon had ‘always maintained that the existing divisions of north-south or east west were basis as a result cold war tension’ (*Ibid*). And there needed to make peaceful attempts to resolve them, yet Mrs Bandaranaike held the view that “the realities of divided nations cannot be ignored on idealist principles” (*Ibid*).

¹⁹³A politician of *Lanka Samasamaja* Party (1914-1997).

The Vietnam War was another instance Ceylon had to actively involve itself in contributing for the international public opinion against the violence and subjugation experienced by another independent nation in the Asian continent. The Vietnam crisis particularly was a major concern for the local Buddhists in Ceylon and hence the Government had to act more openly for the settlement of the crisis. Ceylon expressed its concern over the apartheid in South Africa. It also subscribed to the imposition of economic sanctions against that country (*Ibid*, col.2402).

As a Peace Maker

Sri Lanka also played a role of peace maker when it turned to an independent foreign policy after 1956. Bandaranaike's role in Egyptian crisis as a peace maker was appreciated by left politicians. Prominent among them, Edmund Samarakkody¹⁹⁴ stated that "We are happy that we have been able, in however small a manner, to prevent the spread of hostilities, to prevent what happened in Egypt from developing into a third world war"(HRD vol. 27, 18 December 1956,col. 1085). He further praised Bandaranaike; "... this country and its representative, including the Hon. Prime Minister, took up very bold stand, a categorical position, with regard to the sovereign rights of Egypt" (*Ibid*).

Not Denouncing Great Powers

The most noteworthy observation in this section was that Ceylon could not do much to object to the great powers (USA and USSR) in international conflicts, but acted via international forums. Bandaranaike consciously did not to call USA an imperialist power, though the local left parties wanted him to do so. He had deviated from the stance of the local leftists in this regard. As Samarakkody questioned him over this stance in Parliament, Bandaranaike had accepted the Monroe Doctrine of the USA as a policy that has no 'designs' on other states. In his reply to his critics who questioned as to why he did not call America an imperialist power, Bandaranaike simply told that he did not

¹⁹⁴Politician of Revolutionary Workers' Party (1912-1992).

“want to condemn anybody”.¹⁹⁵ Bandaranaike’s understanding of the international political reality vis a vis Ceylon’s capability, thus, was seen his policy toward superpowers as he did not want to criticise none of them with regard to their international policies. This was revealed in the Hungarian issue too. First, Ceylon had adopted a hard-line over the USSR but later on it changed its policy and seemed to follow India with a soft corner towards USSR. As a prominent leftist, Peter Keuneman¹⁹⁶ saw that Prime Minister “did not indulge in a denunciation of the Soviet Government” and “he did not brand it as an aggressor” (*HRD* vol. 27, 18 Dec 1956, col. 1135).¹⁹⁷ While seeing India’s role in foreign affairs contributing for conflict prevention, Keuneman advocated the same role for Ceylon too. As he stated “...Indian Prime Minister did make that point, namely, that the main job at the present moment, if there is a conflict, is to try to stop it, to try to limit it...” (*Ibid*, col. 1142). Similarly, he stated that;

...as a small nation, we can contribute to easing international tensions and seeing that world war does not break out. We cannot withdraw, like America once did, behind a Monroe doctrine. We are not a big power, and we are unable to enforce any authority on other countries except a moral authority (*Ibid*, col. 1143).

The statement made by the UN representative of Ceylon on the stationing of US forces in South-Vietnam is carefully worded; it is not a direct condemnation of the US aggression but a strong request for the withdrawal of the troops from the South-Vietnam. For instance the section below mentioned has not condemned the stationing of foreign troops in general but it sees the utility such actions at times. “The Government of Ceylon appreciates that in certain situations the national security of a State may require the stationing of its troops on foreign soil” (*Ibid*, col.2401).

While viewing the practical aspect of the stationing foreign troops in another country, immediately it shows that civilian administration of that country should not be disturbed in any way. Ceylon thus had to act with caution when condemning the actions of Super

¹⁹⁵*Ibid*, col. 1097, Bandaranaike told this in reply to Anil Munasinghe who questioned the meaning his policy ‘dynamic neutralism’.

¹⁹⁶Marxist politician and Cabinet Minister (1917-1997)

¹⁹⁷Peter Keunaman in the PM’s Statement.

Powers, and had to look at its domestic plight and assist the beleaguered states as well. This was in fact an instance where Ceylon had played very gentle diplomacy in the situation of Cold War, where the two great powers were engaged themselves in military action through proxies. Ceylon's dilemma on condemning of one's aggression or appreciating the other's action was well seen in this statement and it has been worded therefore not to show its real motive of condemning military aggressions in general. It has thus acted in this situation with a cautious approach.

The stationing of such contingents are granting of other military assistants should not however, provide a prop on which a local administration, enjoying little or no support and acting in manner arbitrary and inimical to the interests of the majority of its own inhabitants, can lean for support (*Ibid*).

According to Nissanka (2005) with regard to world crises after 1956, Sri Lanka's actual foreign policy indicates its unity with the third world and the Afro-Asian unity. Sri Lanka's correlation with Afro-Asian countries in voting the pattern at the UN also remained much high compared to that of with great powers, USA and USSR (*Ibid*). All in all, from 1956 onwards, when the British had to stop guiding Sri Lanka's external policy at least to 1977, the international conflicts helped boost Sri Lanka's image as a small state, and kept it closer to the philosophy of non-alignment and third world unity led by India. Since Sri Lanka stood for peace and conflict free world during the period from 1956 to 1983, it is important to discuss Sri Lanka's role in international organizations during the same era.

4. 3 Multilateralism: Role in International Organizations

Sri Lanka's adherence to international norms is witnessed through its role within international organizations, particularly the UN. And this section is devoted to look at that aspect during 1956 to 1983. Small states choose to become the members of international and regional organizations since they provided the forum for them to assume international roles. Sri Lanka too assumed its international role within these organizations and attempted use them for its own survival, sovereignty and security in many ways. This section reviews Sri Lanka's role in the UN and its agencies and analyses how multilateralism provide avenues for a small state express itself and find its

safety in world of uncertainty and turbulence, particularly in the context of bi-polarity. On the other hand, this analysis helps understand how far Ceylon's external policy kept abreast with regional power India' policy during this period.

Sri Lanka and the UN

Ceylon raised its voice in the UN for 'wider and more complete representation in all the Councils' in it. Ceylon argued that 'particularly the UNSC' had to become more representative. As a small nation, Ceylon's role in the UN and the UNSC was aimed at eliminating the 'few remaining pockets of colonialism in Africa and Asia'. Ceylon under Bandaranaike recognised the importance of the World body in times of international crisis for providing necessary clout for small states to express themselves through it.

It was a great relief for the small nation to follow multilateral decisions rather than adopting an own position in relations to the issues involving great powers mostly and this situation was visible at the crises instances of Hungary and Egypt. Bandaranaike told Parliament that the UN had 'emerged with its prestige increased' and 'even the American President Eisenhower himself was satisfied that they must work through the United Nations'. He also had realised that UN was a "moral force to bear on Powers" but it lacked "a permanent force, police force" (*Ibid*, col. 803). He stated that "United Nations should step in to settle these disputes, be it the Suez Canal or others connected with Israel or the Arab countries. Bandaranaike shared President Eisenhower's attitude that conflict resolution or peace at the international level should be approached through the UN(*Ibid*, 17 Jan 1957,col. 1461).

Bandaranaike trusted the UN as a global force to implement justice. He told he believed that "things will be better in the future'. He wanted the UN hands be strengthened (*Ibid*, col. 1162).¹⁹⁸ Ceylon did not like to see the world body to suffer for reasons of its members quitting it. When international conflicts had engaged some of the major powers like "Britain or France over Suez Canal, or the Soviet Union", Ceylon stated that it did not wish to see the "value of the U.N.O. by the session from it any power" (*Ibid*, vol. 29, 30 July 1957, col. 179).

¹⁹⁸Mr Bandaranaike speaking on the issues of Hungary, Egypt and Israel etc. on 18 December 1956

As Ceylon had abstained from voting on the Resolution on Hungary issue, Bandaranaike went on to say that his Government wanted to preserve the integrity of the UN.

We are concerned with the peace of the world; we are concerned with the integrity of the United Nations Organization and we are also interested in realistic appraisals of situations within our principles and policies, reasonable realistic appraisals (*Ibid*, col.339).

Mr Bandaranaike was against the idea that ‘a few great powers’ decide on the world security in the Security Council.

I am against the principle of a few great powers meeting together and settling amongst themselves the fate of others who have a complete right to their own lives and the shaping of their own destinies (*Ibid*).

Bandaranaike supported the idea that UN should have its own force to deploy in case of international conflicts. He told “I feel that the time has come when some permanent – however small- Police Force of the United Nations must be set up. There is no question at all about it” (*Ibid*). Nevertheless, he added that this force should not be used to “terrorise small countries or deprive them of their independence” (*Ibid*). What Bandaranaike meant in UN force was ‘preventing various countries from going to other countries, as happened in Suez, Lebanon and Jordan etc.’ Bandaranaike opined that the UN was not a ‘perfect institution’ but it is was ‘valuable institution’ (*ibid* vol. 32, 14 August 1958, col. 386).

Ceylon in UNSC

The only time Ceylon received the membership of the UNSC was during Mrs Bandaranaike’s period. The UNP in the opposition viewed Ceylon’s position quite sarcastically. J.R. Jayewardene told that: “you are in the Security Council. The only power you do not have is the power to veto” (*Ibid*, vol. 41, November 1960, col. 4623).¹⁹⁹Dudley Senanayake’s attitude toward international system was based on UN’s proper functioning.

¹⁹⁹This is a sarcastic remark by him, which implies nevertheless the role that the small country attempted to play in the international arena was beyond its capacity. Yet, the bi-polarity had provided room for Ceylon to behave freely among the major powers in this period.

...we are in an international body called the United Nations and we are endeavouring, and all other nations are endeavouring, to see that one day that guarantee will be forthcoming from a strengthened and properly organized United Nations. That is the surest guarantee. There is a Charter of the United Nations (*Ibid*, vol. 80, 28 August 1968, col. 439).

Ceylon's role in UNSC also could help India in its problem of the territory of Goa. Prime Minister Nehru expressed his gratitude for Ceylon's 'contribution made in the Security Council'. Ceylon supported the stance taken by India over Goa when many other nations condemned the use of violence. Mrs Bandaranaike told "all though" Ceylon "abhorred violence and deprecate use of force in the settlement of dispute between nations". Ceylon considered that the case of Goa was a result of Portuguese colonialism. Prime Minister Nehru's letter was read by Mrs Bandaranaike in Senate;

I am deeply grateful to you, to your Government and to your Representative in the U.N. for the full support given by your Representative in the discussion in the Security Council over the Goa issue. His speeches in the Security Council have been greatly appreciated here and have put our case more strongly that we could have done. This wholehearted support will, I am sure, further strengthen the close bond between Ceylon and India (*Hansard* (Senate)).

Sri Lanka received a great opportunity to side with India in the issue of Goa; therefore, as a small state it used all opportunities to display its regional unity in the issues of regional states, particularly that of India.

Support for Disarmament

Sri Lanka signed the Partial Test ban Treaty (PTBT) and the Prime Minister stated that it had marked a significant step forward in the relaxation of international tensions. Ceylon expected that PTBT would further result in strengthening the *détente* between the two super powers. The signing of the Limited (Partial) Nuclear Test Ban Treaty in 1963 by the two great powers and the UK was welcomed by Ceylon. Also, Ceylon expressed displeasure about the Indian Ocean region becoming an atomic region. It wanted to free the region from the nuclear arms race. When the 7th fleet of the USA was scheduled to enter the Indian Ocean for operation purposes, Ceylon expressed its concern over the issue with the USA. USA made it clear to Ceylon that if it objected the arrival of nuclear force in the Indian Ocean it would not make any port calls with Ceylon. US

wanted such visits by its Navy in the Indian Ocean in order to get familiarised with the region. Ceylon wanted to appeal to USA Government not to send naval vessels with nuclear capability to the Indian Ocean.

Mrs Bandaranaike was an ardent pursuant of disarmament and she wished to see the Indian Ocean as a Peace Zone free of atomic powers. Further, she stated her purpose clearly in the Senate that she would not permit the powerful nations to use the bases in Ceylon for the use of transportation of nuclear weapons.

Indian Ocean Peace Zone

Under Mrs Bandaranaike, Ceylon stressed on keeping the Indian Ocean Zone free from Great Power rivalries. In Lusaka at the third Non-Aligned Summit Sri Lanka mooted the proposal to make Indian Ocean a Peace Zone. And India was completely in agreement with this proposal. In 1971 the two countries agreed to ‘give more concrete shape to the concept of a Peace Zone in the Indian Ocean’. India’s Minister of External Affairs in his visit to Ceylon in 1971 reaffirmed Indian Government’s support for the concept and “confirmed the Government of India's commitment to the preservation of the Indian Ocean as a zone of peace and for the elimination of Great Power rivalries and tensions in the Indian Ocean” (*GOI MEA, FAR, 1971, XVII: 9, p. 165*).²⁰⁰ This proposal was within the interest of India and it regarded it as a move that could “contribute significantly to implementing the Declaration on the Strengthening of International Security” (*Ibid, p.166*).²⁰¹

Sri Lanka was extremely active in international organizations during the period as discussed above. It created its own name in international relations, particularly in UN and other forums by speaking for world peace. Ceylon’s membership in UNSC certainly helped it to get closer to India and, in turn Ceylon, supported in the settlement of Goa issue of India. Also, Ceylon acted for regional peace through moving the proposal for IOPZ which had its strategic goal of standing for its own security as well as the following

²⁰⁰Government of India, Ministry of External Affairs, Foreign Affairs Records, 1971 Vol. XVII, September, No. 9, p. 165 (Hereafter, *GOI MEA, FAR, 1971, vol. XVII:9, p. 165*)

²⁰¹*Ibid, p. 166.*

India's approach to the Indian Ocean region then. The next section discusses how Sri Lanka dealt with India in the bi-lateral sphere and analyse the relationship between the two countries in order to further investigate whether Ceylon had to bandwagon or still needed to resist India during this period.

4.4. Relations with India, 1956-1983

The chapter four has discussed in detail how Sri Lanka maintained relations with four major powers, US, UK and the Commonwealth, and China and USSR during 1956 -1983 period. The relations with the communist and democratic powers had their own ups and downs under different regimes who enjoyed a certain freedom for shifting their allegiance among the major powers. However, in general Sri Lanka managed to secure the goodwill of these countries at least for a certain period when the particular regime was used to favour them. Knowing well that India would not like to see Sri Lanka being dragged into bloc politics, it carefully managed relations with the great and major powers. The bipolarity allowed Sri Lanka to have continuous concern of at least one set of major powers, communist or democratic, all the time. Sri Lanka too managed to go from one bloc to another during that period and mostly it could do so since one bloc was ready to welcome it at any time. This section will look at how Sri Lanka approached relations with India under the five governments which held power during the period of study. The discussion will run through several subtopics covering political, diplomatic, military, economic relations between the two countries.

4.4.1 Sri Lanka-India, 1956-1959

Ceylon under Bandaranaike closely followed the India's footsteps in foreign policy sphere and thus came to be criticised for becoming the 'tail end of'²⁰² India's policy (*HRD* vol. 27, 18 Dec 1956, col. 1095). Nevertheless, Government members approved Prime Minister Bandaranaike's policy. According to one member, "...following the example of India" in case of retaining the membership of the Commonwealth 'Ceylon' would not 'lose'²⁰³ (*Ibid*, 1091), maybe he thought, it was what Ceylon was destined to

²⁰²Speech of Anil Munasinghe, MP.

²⁰³Mudaliyar Kariyappar in the debate on PM's speech on his visit to the West

do at that particular context. Parliamentarian Jayatillaka casting his remarks on Ceylon's policy with India in 1958 emphasised that Ceylon "cannot afford to look beyond the foreign policy of India," primarily due to its positioning (*Ibid* vol. 132, 14 August 1958, col. 285). He was referring to the criticism of the opposition that Prime Minister acted as "a puppet of Nehru wanting him always in any pronouncement" (*Ibid*). Jayatillake pointed out that "it was the right thing to do" (*Ibid*). He argued that "Ceylon cannot have a foreign policy opposed to that of India" and it "must not necessarily follow but move in harmony with foreign policy of our stronger neighbour if we are to play a vital and important role in world affairs" (*Ibid*). It is understandable through these criticisms and praises of Bandaranaike's external policy that he was closely following with India deviating from the predecessor, the UNP. India too tried to offer consolation for Ceylon's loyalty in the economic, trade and all other matters of the small state.

Agreement on Double Taxation with India

The Government of Ceylon and the Government of India entered into an Agreement on Double Taxation (Relief) on September 10, 1956. Moving the agreement in Parliament C.P.de Silva, Minister of Land, told that "under the earlier procedure Ceylon was losing. According to him "Under the present arrangement, this country would get, instead of half share of the proceeds, the full amount it is entitled to, and only the balance, if any, would go to India. On that basis we expect to make about Rs. 7500,000 per anum" (*Ibid*. vol. 27 sessions 1956-57, 25 October 1956, col. 681). According to another member, J.R. Murray, this agreement with India was long overdue and since 1951 Ceylon had wanted to enter into it with India as it had ceased to be a Dominion. As per this agreement no longer it was necessary for the recipients of income from India could claim for dominion relief.

Treat Series No 2 of 1958, referring to the Tobacco Agreement between the Government of India and the Government of Ceylon, was presented to parliament on 25th June 1958. This agreement was concluded between the two countries on 13th January 1958. This agreement expected to secure the entry of Jaffna chewing tobacco into the Indian market. Thus after 1956, trade relations with India seemed gaining ground. These positive relations in trade could also be similarly observed in other bilateral issues such as the

issue of stateless Tamils in Ceylon. The UNP tried to come to an agreement with Nehru but they had failed, and Bandaranaike opened up the negotiations once again in this regard.

Issue of the Stateless Tamil

Bandaranaike referred to the citizenship issue of the Indian Tamil population in Ceylon as 'Indian problem' or 'question of Indian community' (*Ibid* vol. 29, 30 July 1957, col. 84). In this issue with India Bandaranaike expected 'peace with honour' and he had believed in the action of his 'friend' Nehru who happened to feel the pressure of the issue at the Lok Sabha. Bandaranaike knew that the solution to the stateless Tamils in Ceylon depended on the 'good-will and cooperation of the Government of India'. Therefore, he told that the problem had to be "discussed and decided upon by the Government of Ceylon, the Government of India and also the residents here" (*Ibid*). There was a quite misunderstanding that his policy was to solve the issue locally between the Government and the Indian Tamils but he denied such misconceived views.

Assistance offered by Ceylon to India

Ceylon offered some flood relief assistance to India in 1956. This assistance included some 1000 tons of rice valued at Rs.586, 989.21. Similar for Pakistan, Hungary, Egypt etc. see (*Ibid* vol. 27, col. 2181-2). Prime Minister opined that "it is our duty to give help to whatever extent we can to suffering humanity in whatever part of the world, may be India, may be Pakistan, may be Egypt..." (*Ibid*, col. 2185). It was undeniable that Bandaranaike opened up a good neighbourhood policy toward India. He had realised the leadership role India played in the international arena and knew that the small state could not be so independent, but had to 'emulate' the great power for it was a strength for Ceylon's survival. The same policy continued under Mrs Bandaranaike, from March 1960 to 1965.

4.4.2 Sri Lanka – India Relations after 1960

The UNP had to take up the issue of stateless Tamils with India in the early 1960s. However, in the '*Rajasana Kathawa*' or the Governor General's Speech of Senanayake

Government of 1960 nothing was mentioned about its policy toward Indian stateless population in Ceylon. Leslie Goonewardene argued that Ceylon could not send back as many as 7, 50,000 people to India. As he showed ‘this population was a burden on Ceylon’s shoulders and it could pose a danger to the country’. But he sensed that until Prime Minister Nehru’s Government survived in India no real threat from it could come to Ceylon. He expressed the fear that in future, under another leadership, Ceylon would have to face a rigid policy and a danger from India (*Ibid.* 39, 19 April 1960, col. 232-7). He argued that if the Indian population in Ceylon would be facing any security threat in the country India could use that opportunity to intervene in Ceylon. He visualized a possible ‘Indian invasion’ of Ceylon in case of any conflict between the locals and the Indian population (*Ibid.*, col.237).²⁰⁴

This was an instance the nationalist fear of India had come out clearly in Parliament. The elite nationalist perception of Indian aggression on Ceylon was often expressed regarding the Indian Tamil issue. They suspected that India would use this population to realize its interests in Ceylon in future. Further, the nationalists doubted that if India was to intervene in Ceylon’s internal affairs none-of the great powers would have come to the rescue. Because both the great powers were then making attempts to keep goodwill with India (*Ibid.*).

Registration of Indian and Pakistani Residents

Since 1948 the issue of registration of Indian and Pakistani residents had come up from time to time. In 1948 Ceylon brought its own Citizenship Act under which some discrimination had occurred to the Indian and Pakistan citizens who were brought to Sri Lanka by the British as plantation labour. As the leftist Samarakkody argued the Citizenship Act no 18 of 1948 had deprived the right to citizenship for as many as five to six lakhs of workers. British had ‘brought about eight lakhs of workers’ to Ceylon to work in plantation. Since these workers had a history of 75-100 years of living in Ceylon, the leftists argued that they needed to be recognised as the citizens of Ceylon.

²⁰⁴Goonewardene was a leftist turned nationalist and his attitude toward Tamils basically was a ‘nationalist point of view’

Samarakkody put his case very emotionally at times and lamented that “...under every tea bush lies the remains of a plantation worker who has lived and died to make us comfortable” (*Ibid*, 15 Nov 1960, col. 1924).²⁰⁵ The major proponents of the citizenship rights for Indian and Pakistan workers included Lanka Sama Samaja Party (L.S.S.P) and the Communist Party of Ceylon (CP). They argued that those stateless people had faced an ‘injustice’ and it was ‘inhuman’ to treat them in that manner of denial of their citizenship rights. Samarakkody made a very forceful voice;

We have deprived a very great and important minority of the workers of this country. Why do I say “right to live”? At the time this notorious Act was introduced by the U.N.P. They sought to say, “Oh, this is a very harmless bit of legislation”. ...by passing this notorious piece of legislation, you created a blot on our Statute Book. The United National Party Government....doing this in the name of patriotism (*Ibid*, col.1924).

He also criticised the naming the right to citizenship of workers merely as an Indian questions;

Now this problem is referred to as the Indian problem, the Indian question. Over and over again it has been referred to as the Indian question. This is not as Indian question. It is a question that has to be tackled by the people of this country; it is a problem that we have to face and it is our responsibility (*Ibid*, col. 1925).²⁰⁶

Samarakkody and other leftists in the Government while condemning the way nationalists had termed the question of citizenship rights for Indian and Pakistani workers also expressed that ‘this country should not tolerate illicit immigration’. He suggested to the Government that the country “...should do everything possible to prevent illicit immigration, the so-called ‘*kalla thoni*’²⁰⁷ problem” (*Ibid*).²⁰⁸

On the other hand the Indian citizen in Ceylon, those people of Indian origin and who desired to go to India and acquire Indian citizenship had to be discussed with the Indian Government. However, according to the leftists in Mrs Bandaranaike’s regime the larger

²⁰⁵Edmand Samarakkody speaking in the vote on Indian and Pakistan workers in Ceylon

²⁰⁶Edmand Samarakkody speaking in the vote on Indian and Pakistan workers in Ceylon

²⁰⁷Term used to identify illicit immigrants from Southern Indian regions

²⁰⁸Edmand Samarakkody speaking in the vote on Indian and Pakistan workers in Ceylon

issue was the stateless people of Indian origin who were ‘born and bred’ in Ceylon and worked and in its plantation, a population of ‘six to seven lakhs’ (*Ibid*).

Every other Government since independence had dragged the question of stateless people of Ceylon and they had told the people that the “matter would be discussed with the Government of India”. As Samarakkody argued this was not a matter to discuss with India. Also he suggested that all the facilities should be given to people those who were ‘anxious to go to India and settle down there’ and that aspect could be discussed with the Government of India (*Ibid*, col.1926).

On the contrary, Dudley Senanayake was of the view that Ceylon required India to cooperate in the issue of ‘stateless people’.²⁰⁹ He reminded what Prime Minister Nehru had spoken to during the UNP’s regime in regard to the issue of Indians in Ceylon;

I am ready to take the whole lot of you as citizens of India. If they opt to become citizens of India of their own free will, they can do so. I cannot accept the position that you can compel them or intermediate them or force them into becoming citizens of India (*HRD* vol. 41, 15 Nov 1960, col. 1951).²¹⁰

Mrs Bandaranaike’s Government having a ‘human angle’ to the ‘Indian question’ held that ‘inducements’ should be given for those who were willing to leave Ceylon and settle in India. Also it had not come into a position as to how it should consider the question of fundamental rights of those who remain in Ceylon. Stanley Tillekeratne stated on behalf the Government that “...If there is to be a permanent Indian population consisting of those who are unable to leave this country, those who have contributed to the development of this country’s economy, then it is our duty to make them citizens of Ceylon” (*Ibid*, col.1978-9).²¹¹

²⁰⁹ The term ‘stateless people’ came to exist after 1953 to recognise Indian population in Ceylon who failed to get citizenship under the Citizenship Act.

²¹⁰; Dudley Senanayake’s reference to Prime Minister Nehru’s words on the issue of stateless persons of Indian origin in Ceylon.

²¹¹ Stanley Tillekeratne spoke on behalf Mrs Bandaranaike’s Government and stated its official position of Indian population in Ceylon.

Colvin R. de Silva argued that the challenge before Ceylon was to ‘remove the conditions of “statelessness” of these people (*Ibid*, 26 Aug 1960, col. 809).²¹² He further held the view that all “these persons of Indian origin who are permanently here in Ceylon should be given Ceylon citizenship” (*Ibid*, 26 Aug 1960, col. 809). De Silva also pointed out that India had stopped registration if citizens who were either Indians or who would be Indians due to the breach of the agreement from Ceylon’s side (*Ibid*, 26 Aug 1960, col. 809). And the Government of Mrs Bandaranaike further sought to negotiate the issue with India and in the elections manifesto also it was mentioned as a promise;

Immediate negotiations with the Government of India to remove the restrictions on the registration of Indian citizens in Ceylon, so that while those persons of Indian origin whose permanent home is Ceylon are granted Indian citizenship...(*Ibid*, col.810).

The issue of citizenship rights had become a national issue that it had featured in the elections manifestos too, as is evident from the above citation made by Colvin R. de Silva in Parliament. In fact, the SLFP coalition had made it an election pledge was mostly due to the constitution of its membership by leftists who were actively mobilizing the workers, including the plantation sector, where the people of Indian origin were mostly concentrated. On the other hand, the rulers of Ceylon had clearly wanted to get rid of what they termed the “explosive character” of the question of citizenship rights of the Indian origin persons in the country (*Ibid*).

Meanwhile the opposition leader Dudley Senanayake expressed that ‘there is nothing to take up’ with India with regard to the citizenship issue (*Ibid*, col.908).²¹³ He believed that the solution had been already reached when the Nehru-Kotelawala Pact was signed in 1954. And he questioned as to why the Government was not implementing it then.

Foreign Policy and Devolution

It seems that the political elite of the majority community had the fear that any devolution of power to the regions, particularly populated by minority, would lead to problems in

²¹²Colvin R. de Silva on the issue of Indian citizens in Ceylon

²¹³Dudley Senanayake seemed to believe that the solution for the citizenship issue was reached during the UNP regime of Kotelawala

foreign policy. This was evident in the propaganda campaign in elections that spread fear among the majority that the minority Tamils would harm the unitary character of the country. Tamil Parliamentarian, Naganathan brought this issue before the House of Representative in the following manner in connection to the Trincomalee oil tanks.

He said some Sinhala politicians had spread the fear that “If you have regional councils the Tamils will give away Trincomalee to a foreign power. They will bring in 80 lakhs of illegal immigrants into this country and make themselves a majority” (*Ibid*, col.842).²¹⁴ He was in fact referring to the racists slogans of the election campaign of the UNP. He further argued that;

Foreign policy should be the monopoly of the Government of the day. Foreign policy should be the concern of the whole country. We may have our differences here in this country of ours, but where foreign nations and external affairs are concerned we are all one (*Ibid*).

The fear that the Tamil population in Ceylon would go against the national interest of the country once they would be empowered through a mechanism of devolution, thus, had its roots in electoral politics where the political parties of Sinhalese used such fear mongering stories to garner the Sinhalese votes. The UNP did that in their campaign against the SLFP-led left and the SLFP, on the other hand, was responsible for making the Sinhalese the Official Language after 1956 disregarding the status Tamil language as an original language of Ceylonese. On the other hand, since the strategically important harbours like Trincomalee etc. were located in the areas where there was a majority Tamil population, one could guess that Sinhala political elite had fear to devolve power to regions thinking that it would lead to national security threats. Thus the local constituency was divided on the issue of power sharing with the Tamils, which in turn would provide ground for India to be concerned over Sri Lanka, hence become an issue of foreign policy.

²¹⁴*Ibid*, 26 August 1960, col. 842. Naganathan (MP) spoke on the issue racism that was used in political campaign by the UNP and referred to his position that Ceylon should have only one foreign policy and advocated the role of Foreign Affairs Committee for advising the Government.

Sirima-Shastri Pact of 1964

The discussions over the Indian origin people in Ceylon came to a new stage under the Sirima-Shastri Pact of 1964. This agreement held that the people have to be willing to leave Ceylon and could not be forcefully sent back. S. Thondaman spoke on this agreement in the House of Representatives and Dudley Senanayake's Government faced a dilemma over the decisions made by the previous Government. SLFP wanted the Government of Mr Senanayake to reveal its stance over this agreement with India which was entered into during the last months of Mrs Bandaranaike's Government. Meanwhile the Buddhist High Priest of Malwaththa Chapter advised Mr Senanayake to get the consent of the UNP's membership before considering the Act on Indo-Lanka Agreement on Repatriation of Indians (*Irida Lankadeepa*, May 16, 1967, p.5).

The Act on Implementation of Indo-Ceylon Agreement was tabled on Parliament on 20th January 1967. During the Sirima-Shastri Pact which was signed on 30th October 1964 in New Delhi, it was estimated that the Tamil population of Indian origin in Ceylon was 975,000. Under the Pact India agreed to 'absorb' 525,000 and another 300,000 would receive Ceylon citizenship. Also there was a balance of 150,000 people whose future would be decided in subsequent discussions. The agreement was to be implemented within a 15 year period.

Providing an analysis on the significance of this agreement between the two countries, Phadnis and Kumar (1975) evaluates its importance in the following lines as model for negotiation of difficult issues.

The India-Sri Lanka pact of 1964 relating to the "Stateless" persons of Indian origin in Sri Lanka provides a model of a negotiating base for the resolution of a conflict between the two countries instead of allowing it to harden into a "non-negotiable" issue (1975: 249).

Accordingly, the agreement was a significant achievement for regional peace and the goodwill between the two countries. Further, according to the Agreement Ceylon had to repatriate all those people who were to be given Indian citizenship. Article 08 of the Agreement on this is as follows;

Subject to the Exchange Control Regulations for the time being in force which will not be discriminatory against the persons to be repatriated to India, the Government of Ceylon agrees to permit these persons to repatriate, at the time of their final departure for India, all their assets including their Provident Fund and gratuity amounts. The Government of Ceylon agrees that the maximum amount of assets which any family shall be permitted to repatriate shall not be reduced to less than Rs. 4,000 (Article 08 Sirima- Shastri Pact).²¹⁵

Subsequent to the Agreement another delegations of the two countries met in Colombo from 15 to 19 December 1964 in order to prepare a joint machinery for implementation of the Agreement. As per the negotiations of this meeting a committee designated “joint Committee for the Implementation of the Indo-Ceylon Agreement of 1964 was established with its headquarters in Colombo. This Committee was authorised to ‘ensure the proper implementation of the Agreement and both Governments agreed to facilitate the Committee by providing relevant documents and data other than those of classified or of secret nature maintained by both the Governments.

The repatriation was to be done on a voluntary basis. The Agreement of 1964 mentioned that annually an approximate figure of 35,000 people would be repatriated to India for Indian citizenship and 20,000 would receive Ceylon citizenship.

Governor General in his speech in Parliament on 08 July 1967 promised that his Government would take prompt action to implement the procedures of the Indo-Lanka Agreement (*HRD* vol. 72, 8 July 1967, col. 6). Governor General in his Speech in the year of 1968 said that the Government had taken measures to establish a Department of Registration Persons of Indian Origin (*Ibid* 79, 7 July 1968, col. 14). The progress of the implementation of the Pact during the UNP regime from 1965-70 was less compared with the SLFP regime under Mrs Bandaranaike.

²¹⁵See for a discussion on Sirima-Shastri Pact in Indo - Sri Lankan Pact Of 1964 And The Problem Of Statelessness - A Critique By Rani S. Pillai, *Afro Asian Journal of Social Sciences* Volume 3, No. 3.1 Quarter I, 2012.

DMK and Ceylon's Concern

Tamil Nadu factor was a major concern for both India and Sri Lanka when it comes to foreign policy, though its influence still may be limited on the final outcome of a decision making (*see* Jacob and Shekhar 2010).²¹⁶ The fear of India was partly of the fear of Tamil Nadu in the minds of the political elite of Ceylon. Mrs Bandaranaike as the opposition leaders alleged that the Government of Dudley Senanayake had allowed the DMK to propagate its ideology of separatism in Ceylon. The connection between the Federal Party and South Indian politics, thus, had been a major concern for the political elite;

You had a D.M.K. flag flying in Jaffna when you had a meeting there. We know the aims of the D.M.K. also. They want to establish a Tamil Nad in Madras State in implementation of their policy in South India. They say they want a Tamil Nad not only in South India but also in some other countries including Ceylon. We have read in Pannikar's book about the necessity to have Trincomalee Harbour, et cetera. These are genuine fears we have (*Ibid*, 81, 28 Aug 1968, col. 389).

The two major parties derived the fear of an existential threat from Tamil Nadu. Adding to the issues was the Kachchativu Island which featured in the Parliament debates during the UNP regime.

India's Cultural Dominance

Ceylon had a large audience for Indian cinema and music, particularly Tamil population of the country during the 1960s. When Tamil actor from South India, Ramachandran visited Ceylon in 1968 the Government had given him a warm welcome in the country. The nationalist MPs in Parliament feared that the consumption Tamil cinema which was full of nationalist, militant ideologies could brainwash the Tamil population of the country. Therefore they wanted the Government to put restraints on such films literature

²¹⁶Jacob and Shekhar (2010) studies influence of domestic factors on India's external policy. It also discusses how Tamil Nadu may become an intervening factor in the Centre's policy toward Sri Lanka. Also, see for studies on the entanglement between systemic and domestic factors in Neo-classical Realist of foreign policy analysis; Lobel, Ripsman and Taliaferro (eds) (2009) Neoclassical Realism, the State, and Foreign Policy, Cambridge.

etc., which were imported from South India and which propagated Tamil nationalism through them. On the other hand they pointed out that India had taken measures to protect its traditional culture. The Minister Broadcasting in India, Shaker had restricted the Service of Commercial Radio Channel which was broadcast from Ceylon to India arguing that its programs had messages were inducing the western culture. He had curtailed the payment of the fees for the CBC on this charge (*Ibid.* 79, 15 July 1968, cols. 173-4).

Problem of Primary Product Market

India's investment on tea, rubber and coconut, the three major primary products of Ceylon too, created a fear in Sri Lanka. According to India's third and fifth Five Year plans, India wanted to develop the cultivation of these commercial crops but it had financial constraints. Ceylon wanted to turn this situation into its advantage. In this regard Ceylon liked to have an agreement with India according to which Ceylon would like to produce these products and supply them to India according its needs. As Colvin R. de Silva suggested in Parliament Ceylon would provide these products to India at a fixed rate agreed with it. He further argued that if Ceylon was able to come to an agreement with India over this issue it would be a basis to deal with such a country with an increasing economic development. However he accepted that small countries had to face obstacles in bringing up such strategies into implementation.

4.4. 3 Relations with India, the 1970s

Mrs Bandaranaike as the Prime Minister, during her first tenure from 1960-1964, was able to find a solution for the citizenship issue of the Indian origin people in Ceylon. India's Sardar Swaran Singh's reply to the Rajya Sabha Debate on Foreign Affairs in 1970 had referred to this resolution of the issue. As he stated India solved "one of the most crucial matters which had been defying solution, the problem of persons of Indian origin...when Mrs Bandaranaike was the Prime Minister" (*GOI MEA, FAR, Aug 1970, XVI: 8, p.151*).

Ceylon had close relations with India under Mrs Bandaranaike's Government through 'exchange of delegations and visitors' taking place regularly. Also under the multilateral

agreements in the UN and Colombo Plan there arose opportunity to improve the relations between the two countries very often. Ceylon mainly wanted to continue the process of repatriation of Indian origin persons and continuously pushed for this. As an Indian report mentions the two Governments had discussed proposals to simplify the procedures to expedite the repatriation process (*GOI MEA, FAR, 1970-71, p. 7*).

In the sphere of economics too the two countries had better relations as the 'Government to Government credits continued with mutual obligations'. Mostly India responded positively to Ceylon's economic requirements as the requests came from Ceylon's side. In 1971 the two countries agreed to establish a sub-committee for the Indo-Ceylon Committee for Economic Corporation and meet regularly for discussions in Colombo. As the trade deficit between the two countries was widening India also agreed to increase purchase from Ceylon. India's credit line for Ceylon in 1971 was increased up to 60 million and it promised to assist the process of industrialization and finding markets for Ceylon's products in India. Also the two nations were expanded to liberalize the trade in ECAFE region during this period (*GOI MEA FAR, Sep 1971, XVII: 9, pp. 164-65*).

Ceylon had to work closely with India to stabilize the prices of its main export, tea. India was satisfied with the understanding it had with Ceylon in this regard. This was mentioned by Shri L. N. Mishra, India's Union Foreign Trade Minister in his address at the plenary session of the Economic Commission for Asia and the Far East (ECAFE) at Bangkok on March 20 (*Ibid, 1 March 1972, XVIII: 3, p. 44*).

The Joint Statement on Indo-Ceylon Joint Committee for Economic Co-operation issued in April 1972 referred to the joint ventures the two countries were going to take to promote the markets in their countries as well as abroad for their products. India and Ceylon increasingly looked for economic cooperation and the joint economic committee was a major step forward in this regard (*Ibid, 18 April 1972, XVIII: 4, pp.86-87*).

India and China border dispute

In the context of Indo and China border dispute, the GOC was constrained over taking any side of the two parties to the conflict since both were friends and closely associated with it. However, the opposition alleged that the Government's foreign policy was

‘decidedly anti-Indian’ (*Hansard* (Senate), 1962, col.2410). In reply Mrs Bandaranaike countered the allegation and stated that the foreign policy of Ceylon is not ‘the foreign policy of India or any other country’ (*Ibid*). She further said that Ceylon did not want to follow the foreign policies of other countries, but it wanted to ‘further its own foreign policy “without in anyway being unfriendly to any other countries, be it India or any other country”’ (*Ibid*). Ceylon wanted to maintain the goodwill with both China and India and ‘remain friendly with them’. Ceylon had supported China to gain its ‘rightful place in the Councils of the world’.

Indo-Ceylon Problem

‘Hangover from British days’ Indo-Ceylon problem of stateless persons of Indian origin in Ceylon continued to persist under every Government for so long. Mrs Bandaranaike accepted that she had continued the policy of the previous Governments regarding the problem and trusted that Indian Prime Minister Nehru was ready to solve ‘what was essentially a domestic matter’ according to her (*Ibid*, col.2411). Mrs Bandaranaike’s knowledge about the history of discussions held with Indian leaders, particularly Nehru and Dr Rajendra Prasad of All India Congress Committee, since the early 1940s over the issue had given her assurance that India would come for Ceylon’s assistance. Therefore she thought India’s ‘Prime Minister was with us’ and could arrive at ‘a speedy and just settlement’ for the ‘so-called stateless Indians in Ceylon’ (*Ibid*, col. 2412).

The major breakthrough came from the discussion with India since 1967 when the Indian and Pakistan Residents (Citizenship) Act was introduced and implemented. Under this Act 134,000 Indians were registered as Ceylon citizens and 50, 969 as Indian citizens. Mrs Bandaranaike stated that the course adopted by her Government wanted to fully implement the continuous line of policy of all Governments since independence. She emphasised that policy of her Government was concerned to ensuring ‘employment to ‘our own nationals in preference to others’. In the meantime she proposed to provide inducements for the Indian nationals who were willing to leave the country and seek Indian citizenship. Mrs Bandaranaike’s showed that the resolution of the problem was one that should ‘transcend party politics’, and sought cooperation and assistance of all parties for a negotiated settlement with India.

4.4.4. Confusing Relations with India, into the 1980s

The decade of 1980 marked the violent beginning of the ethnic conflict between the Sinhalese and indigenous Tamils of Sri Lanka. Since independence the ethnic conflict between the leader, A. Amirthalingam stated that according to the agreement entered at the discussion recognised as Vaddukkoddai Convention Tamils of Sri Lanka had the right to declare as a separate nation indigenous Tamils and Sinhalese came up from time to time. The Federal Party of Tamils stood for a federal constitution and they were not happy with the unitary nature of the country. The political representatives of the indigenous Tamil population of the country were of the stance that the ethnic Tamils were a distinct nation within the country and they should be offered the right to self-determination. Speaking at the National State Assembly on 3rd August 1978 the opposition leader said;

In fact the resolution at the Vaddukkoddai Convention which I read out sets down the basis on which we state that we are a separate nation entitled to the right of self-determination.... To say the least a nation has been defined as a territorially evolve (sic) community of people united by language, religion, common tradition and culture and a will to live together as one nation. Now, let us apply that to this country. There are two peoples speaking two languages. They have by far and large, professed two religions. They have two different traditions and cultures. They have historically lived apart. They yoked us together. English education linked us together. Our leaders of the past generation thought of themselves as one nation (*National State Assembly Debate* (NSAD) 28:11, 03 Aug 1978, col. 1009-10).

The Tamils of Sri Lanka started to raise their grievance more vocally than ever during the time the major Tamil party the Tamil United Liberation Front held the opposition leadership in parliament as other parties of Sinhalese were routed to small numbers, the SLFP could not save the second majority while the old Marxist had been wiped out from the Parliament at the July 1977 elections. The UNP under the J.R. Jayewardene during this period led a serious scathing attacks on the nationalist slogans made by Tamil members of parliament and they attempted bring resolution in parliament in order to remove them from it. From 1977 to 1983 there had been a huge political confrontation in the democratic sphere between the Tamils of Sri Lanka and the Sinhalese majority, particularly the political representatives of both these ethnicities attempted claim for their

past legacies and the place they received after the independence. A new generation of radical Tamil politics were evolving and the youth in the Northern region were slowly grouping into militant political faction to claim for what they believed as a separate state in Sri Lanka, the Tamil Eelam.

The Opposition leader of Parliament, Mr A. Amirthalingam described the nature of the violence and level of militarization in the Northern region in his speech on the second reading of the budget on 11 November 1980. According to him Tamils areas were ruled by army and hence since 'colonial days' Jaffna was under the occupation of military. The Tamils were "awaiting a solution to these problems", and their 'grievances remain unaddressed': he argued then that as long as their aspirations remain unrealised political stability would be an illusive objective" (*Parliamentary Debates* 12:3, 11 Nov 1980. col. 331).

In 1980 Sri Lanka's Parliament had discussions over the emerging militant groups of the Tamils who sought a separate state in Sri Lanka. Many Parliamentarians turned the attention of the House to the new threat in several occasions. For instance, on 26 November 1980 Vincent Dias (MP) revealed in Parliament that an organization called "Tamil Eelam" was raising funds in UK and other European countries (*Ibid*, 13: 2, 26 Nov 1980, col. 291). He also mentioned that the Tamil Eelam Organization had connections with the IRA that would be used to get military training for its carders.

Sri Lanka's relations with India during a period of three decades since 1956 up to 1983 remained cordial. Sri Lanka managed to solve several bilateral issues regarding stateless Tamils in Ceylon, the issue of Katchativu Island and several other trade-related issues. Also Sri Lanka played within India's strategic ambit and helped it internationally to keep the Indian Ocean free from extra regional powers very often. The establishment of IOPZ was a case in point in which Sri Lanka played a major role. Sri Lanka also assisted when India and China had a dispute in 1960s as a mediator and convenor of peace conference. Also Sri Lanka remained neutral when India assisted Bangladesh to create a separate state. The period had most relatively peaceful relations with India in post-independence history. Despite the UNP's doubt over India's interests in Tamils in Sri Lanka, both the major parties closely worked with India in general. Particularly, the UNP preferred the

West to India and Communist countries. Nevertheless, Sri Lanka's era of economic liberalization and its determination to achieve development through foreign aid, trade and export development with the help of the UK and USA and other democratic allies, was not for the goodwill of India. So the problematic period with Indo-Lanka relations would begin after 1983 when Sri Lanka felt that India was behind the LTTE; the next chapter will deal with this stage of relations with India. The next section looks at how Sri Lanka interpreted non-alignment and used it as a strategic weapon to counter regional and international threats.

4. 5. Regional Cooperation

The 1980s brought the idea of regional cooperation into the third world as well. South Asian region too was moving toward that direction and Sri Lanka was a willing country to establish close co-operation in the region. The role Sri Lanka played at the formative stage of the SAARC deserves much attention as a small nation in the region which has just embarked on a different economic and normative political path in the 1980s. In addressing the Foreign Secretaries meeting of the seven South Asian countries, Sri Lanka's foreign Minister viewed the context as 'chosen by history to make history'. According to Foreign Minister of Sri Lanka, Sri Lanka's President had for long maintained a close interest in regional co-operation'. He said that whether the States of South Asia should seek the establishment of a formal association, or whether they initially be content with a less formal structure which will evolve into an integrated association over the years is a matter that. Heads of Governments have to consider". Further he noted that the 'external environment has influence on domestic programs' and therefore, 'Regional co-operation can help to bring about improvements in the external environment in such a way that it assists and exerts a positive influence on the development process'.

While stressing that regional cooperation must help to improve the lives of people, Sri Lankan Foreign Minister set out some priorities the country was concerned with in establishing formal structure for regional cooperation;

1. Close cooperation international for a in relation to all matters directly concerning the peace, security and economic development
2. The development of mechanisms for unified negotiations in dealings with already established regional organizations.
3. The possibility of settlement of disharmonies or disputes within the region without external interference or manipulation.
4. The growth of collective self-reliance through regional, economic and technical co-operation, including expanded intra-regional trade and industrial complementarity. Agricultural co-operation is equally important.
5. The use of collective self-reliance as factor in negotiations leading to the establishment of a new international economic order.
6. The encouragement if human interaction within the region through a systemic cultural exchanges, tourism and Institutional co-operation.
7. In overall support of the above, a sustained programme of public information through which knowledge of one another can be shared at all levels (Hameed, 1988:370).

Sri Lanka's proposals for the establishment of a regional organization reflected the world view it had gained after 1977. Sri Lanka wanted to have regional peace and n on-involvement of the regional powers in its development endeavour and wanted the region to become integrated through the market and peaceful relations.

Sri Lanka had relied much on the global interdependence in the economic sphere after 1980s. In 1982 Sri Lanka hosted a First Regular Meeting of Unitary Panel of Eminent Persons which discussed the issue of 'regional and inter-regional co-operation'. In this forum Foreign Minister revealed that the country was thinking in terms of global interdependence and endeavouring to advance towards it. He noted that interdependence cannot be 'compartmentalised into separate economic, social, cultural, environmental and political components'. He emphasised that 'To have meaning, interdependence must embrace every aspect of human life' (Hameed 1988: 375).

He explained that Sri Lanka took the initiative in creating cooperation in the region with both regional and global ambitions;

It is in this spirit that Sri Lanka took the initiative last year of convening the First Meeting of Foreign Secretaries of Sven South Asian States. We view this as a step towards more substantive co-operation in the South Asian region building on the purely bilateral links we have so far

maintained. We are hopeful that there would soon be meeting at political level to endorse forms of co-operation within the South Asian region... (Hameed 1988: 379).

The First Meeting of the South Asian Regional Co-operation was held in New Delhi from 1st and 2nd August 1983. Addressing this meeting the Foreign Minister of Sri Lanka recalled what the countries had previously agreed in order to establish formal co-operation at the regional level postulated three rules; 1. That decision should be taken on the basis of unanimity 2, that bilateral and contentious issues should be excluded and 3, that regional co-operation was not intended or expected to be a substitute for bilateral and multilateral cooperation but complement both; nor should it be inconsistent with bilateral and multilateral obligations' (Hameed 1988: 383). Sri Lanka had great ambitions over the regional cooperation as the SARC had brought together some countries with a large population in the world. Hence the Foreign Minister in the Second Meeting of the Foreign Ministers of SARC held Male in July 1984 told that; "... we represent the world's largest market in terms of population. If by systemic exploitation of this simple fact, through a process of regional co-operation, we, in South Asia are able to build up our collective economic strength, then, this can only have beneficial effects on the political harmony follows invariably its wake" (Hameed, 1988: 389). In the final meeting of the UNITAR Panel of Experts held in Vienna from 12th to 13th July 1984 too Sri Lanka's Foreign Minister held the same view. He told in that meeting that "Successful regional groupings have a basis in shared political, economic or cultural values and are in that sense homogenous'. However, he also told that 'regional co-operation encounters a key obstacle', 'geographic contiguity' which could "complicate enormously the task of building up necessary political will to bring about even the minimal sacrifices of the freedom of independent action which regional co-operation can entail". (Hameed, 1988: 392). The mid-eighties proved that geo-graphical contiguity with India also played a major role in Sri Lanka's ethnic war which was ignited with the ethnic violence in 1983. The next chapter will focus on Sri Lanka-India relations in the context of ethnic war, leading to an era of intense contestation of diplomacy and use of coercion by the regional power India on the small state. Thus the early and mid-eighties marked the end of a long period of Sri Lanka's peace with India. Relative peace was then mostly a result of the policy of bandwagon with India's international policy of non-alignment.

Summary

Non-alignment, multilateral diplomacy and the tilt toward normative politics constitute a major dimension of the foreign policy of Ceylon in the era after 1956. As a weak state, how Ceylon waded through the international and regional political turbulence owes much to its policy toward India during this period. The period after 1956 brought Ceylon into India's sphere of influence from that of the UK as noted in the analysis of the first part (4A) of this chapter. Ceylon under different governments during the period of nearly three decades tested its external policy preferences among the two great powers, UK and USSR, and their allies, but in general it kept to the principle of maintaining cordiality in relations with them. However, the SLFP, more than the UNP, tended to play an internationally visible role, mostly with India's tacit and implicit approval of its stances on many of the international issues involving great powers and small states. Nevertheless, Ceylon emphasised on its national interest and independence and claimed to follow an independent policy very often.

Non-alignment oriented Ceylon towards a new phase of politics in which the country got aligned with India's regional security and political strategy. Non-alignment though looked a neutral policy was mainly a resistance to great power aggression and their expansion of influence into the other regions, particularly Asia and Africa. Nehruvian policy had a great impact on Ceylon which was much displayed through Mr and Mrs Bandaranaike's policies. Ceylon's role as a peace maker and mediator, its voice against nuclear armaments were all possible due to India's similar policy toward such issues during this period.

In general Ceylon moved much into the international arena, mingled with major powers in solving international issues, raised its voice for third world states, and attempted boost its international image more often. Its role in UNSC was major highlight in this regard. Nevertheless, while maintaining close relations with major powers with a non-alignment as its declared policy Ceylon was restrained by the sub-systemic influences. Towards the 1980s, Sri Lanka, then, began to rethink of its regional strategy and was deviating from non-alignment and camping with the West. The liberalization of economy was mark of this greater change.

However, Ceylon always felt the dominance of India in many spheres, the trade imbalance between the two countries and the cultural influence often emerged as issues that required attention. Also, the issue of stateless Tamils was discussed throughout and favourable solutions were found with the support of India. On the other hand, Tamil Nadu politics began to emerge as a factor that certainly would intervene in between the relations of the two countries in this period.

Theoretically, Ceylon during a major phase of bi-polarity was constrained by regional political structure being shaped under India's leadership. It could not deviate much from Indian influence, but on the part of India it did not apply coercion on the small state but maintained the hegemony through consent. Mostly, Ceylon consented with India's normative external policy while it found freedom move freely to deal with great powers for economic cooperation. Therefore, the above analysis finds Ceylon as a small power which bandwagoned with India's regional strategy driven by non-aligned politics, while simultaneously making its presence felt in the larger international bodies as well. This twin strategy of Ceylon in turn assured it of its recognition and placed it at a position enabling it to maintain its national interest and sovereignty as an independent state in the international system. However, in the era after 1983 which is the focus of the next chapter, Sri Lanka joins the side of small states in the region to push forward the idea of regional cooperation which India was treating with suspicion at the beginning.

Chapter 5

Survival in a Bloody Era: Sri Lanka and Major Powers, 1983-1990

Introduction

Sri Lanka attempted to pursue an external balancing strategy toward India, particularly due to a threat perception during the first phase of independence from 1948 to 1956. Mainly, it did so through a military, diplomatic and politico-economic alliance with the West (the Capitalist Bloc) and the Communist China (after 1952). The next era, from 1956 to 1983, witnessed peaceful relations with India through a policy of avowed nonalignment and a visible loyalty to Nehruvian ideology²¹⁷, particularly during the regimes led by the SLFP.²¹⁸ However, the central focus of the external policy during SLFP regimes was India, and the use of external balancing acts was not absent altogether, but rather latent. Generally, bipolarity had provided necessary structural flexibility for the small state to turn from one major power to another or from one bloc of countries to the other during the period of nearly three decades. Nonetheless, while the major policy strategy concerning the Cold War politics was nonalignment, regionally Sri Lanka chose to play with a mixed strategy of balancing, bandwagoning and appeasing.

In this chapter I focus on how Sri Lanka attempted to balance a resurgent India while facing an existential threat from the Tamil separatist struggle which India often used to justify all coercive and non-coercive tactics of intervention and mediation in Sri Lanka during this period. There is a much literature on this period of Sri Lanka's political developments, both domestic and international; particularly, on the ethnic conflict turned civil war, Indian intervention and mediation of conflict resolution and peacekeeping through the IPKF, Sinhalese nationalist-Marxist-led armed uprising during the post-1987

²¹⁷Shelton U. Kodikara also agrees with this idea that Sri Lanka had closely followed Nehruvian policy particularly under Bandaranaike (See Kodikara 1988).

²¹⁸SWRD Bandaranaike, from 1956 to 1959, Mrs Bandaranaike from 1960 to 1965 and 1970 to 1977; nearly sixteen years of the twenty-seven year period saw the regimes of center leftist rule in this period. UNP was in power from 1965 to 1970 and 1977 to 1983, a period of nearly 11 years.

Indo Lanka Accord (ILA), and continuous pressure from international human rights regimes due to the worsening status of human rights violations. The chapter traces Sri Lanka's external balancing strategy through various policies such as maintaining sound relations with extra-regional major powers in politico-diplomatic, economic and military terms, following a pragmatic nonalignment tilted to right-wing capitalism, representation in international forums and seeking refuge in normative spheres of politics, search for regional cooperation and a conscious policy of opposing India's regional security strategy, while embracing a US centred Indian Ocean security strategy etc.

This period is particularly the most volatile period of domestic and international politics of Sri Lanka due to two domestic rebellions, counter-insurgencies and violence of the state military and the separatist terrorists and anti-state elements, India's forceful intervention and the close alliance with the West. Up to 1979, the UNP regime had a favourable attitude toward the government of Moraji Desai and reciprocity prevailed between the two regimes. However, the resignation of Prime Minister Desai and the re-election of Mrs Gandhi in December 1979 was, perhaps, a huge shock to the UNP, which had openly displayed its arrogance to the Congress during that period, and later would be subjected to the ire of Mrs Gandhi. Therefore, the tumultuous nature of the political and diplomatic relations between the two countries in the 1980s largely sets the backdrop for the analysis of Sri Lanka's external balancing strategy in this chapter.

The chapter details how, after 1983, Sri Lanka's political destination changed due to an ethnic conflict turned civil war for a separate state by the largest minority community, indigenous Tamils in the North and the East regions of the country. Sri Lanka's elite leadership alleged that the violent conflict that erupted after 1983 was an Indian design. At the same time, the regional power found it an opportunity to use its coercive powers to impose a solution to a historically driven rivalry among the Sinhalese and the local Tamils. In this chapter the focus is on how Sri Lanka attempted to use its Western allies to keep a resurgent India out from its local issues and also scuttling its external sovereignty.

The chapter will trace how Sri Lanka planned its policy during the last decade of bipolarity knowing well that the USA and the West had a clear upper hand on the so-called

Third World while the economic power and political grip of the USSR had waned drastically, and other forums like NAM were rethinking of their policies. Finally, Sri Lanka's domestic turmoil, India's geopolitical concerns and Indian Ocean strategy become major focal points of this analysis.

Organization of the chapter

The chapter includes five sections, in addition to the introduction and the summary. The first section deals with Sri Lanka's declared commitment toward nonalignment and explores the gulf between the reality and praxis of it. The second section examines the external strategy constituted with close alliance with major powers; mainly, USA, UK and China. The third section focuses on Sri Lanka's relations with the Middle East with special attention to relations with Israel. The fourth section is on the economic strategy and the fifth section reflects on the relations with India and the last section presents the summary.

5:1: Non-Alignment: Another Name for Alignment

The previous chapters discussed the role Sri Lanka played as a pioneering state of NAM and the policy of nonalignment as a major foreign policy guide for the small state during the bipolarity's rivalries in the region and elsewhere. However, we have also seen the distinctiveness of the approach to nonalignment guidelines in each of the two major political parties or coalition, the UNP and the SLFP then. Yet, as a whole, the commitment for nonalignment was rather high from 1956 to at least 1980. This section discusses the changing dynamics of Sri Lanka's attitude toward nonalignment and attempts to read the praxis of Jayewardene and Premadasa regimes during this period as a counterbalancing strategy towards India, rather than a framework for being neutral.

With the change of government in July 1977, President Jayewardene became the Chairman of non-aligned countries and held that position till the end of the term in 1978. And prior to Mr Jayewardene, Mrs Bandaranaike was chosen as the Chairperson of NAM at the Colombo Summit in August 16-19, 1976. As analysts have interpreted it, the general commitment of Sri Lanka for non-alignment remained intact even under the

Jayewardene government.²¹⁹ The effects of the New International Economic Order (NIEO) (Yatanoor 1997) and the UNP government's orientation toward the open international economy certainly puzzled the continuity of the original idea of non-alignment. Local analysts such as Karunadasa (1997), somehow, argue that Sri Lanka remained non-aligned throughout the UNP regime, but such analyses do not recognize the economic pragmatism and half-hearted nature of the Jayewardene regime's treatment toward non-alignment as a philosophical basis of the external policy.

Nonalignment a 'Golden Thread'

In June 1979 President Jayewardene stated at the Colombo Ministerial Meeting of the Co-ordinating Bureau of NAM countries that 'non-alignment runs like a golden thread through the fabric of Sri Lanka's foreign policy' (*SFAR* vol. 1, July 1978-June 1979; also cited in De Silva 1995: 47). Yet he further qualified his statement by saying that the same fabric could change its 'quality, colour and shape from time to time' (De Silva 1995:47). Thus he justified the pragmatism that he wanted to adopt in pursuit of this policy. Non-alignment may or may not be 'a golden thread', but it certainly could provide a forum for perpetuating the ideas of sovereignty and territorial integrity of small nations. Thus it was a shell for protection against international pressure and intervention at times of hegemonic competition.²²⁰ This section analyses the realistic pursuit of non-alignment practice and philosophy from 1983 to 1990 and explains how India's stance and Sri Lanka's stances differed largely during this period though both were non-aligned nations.

Sri Lanka held the Chairmanship of NAM until 1979 and President Jayewardene handed over the Chairmanship to Cuba. At that event he dealt with the historical legacy and philosophical heritage of nonalignment.

In our own national and historical context, the choice of Non-Alignment as the guiding principle of our foreign policy was an obvious one. Successive governments in Sri Lanka have adhered to this principle because it is rooted in a set of fundamentals which no government can vary or seek to

²¹⁹ Generally, many critics would not agree with the analysis that Jayewardene regime was a non-aligned one (see Nissanka 1984).

²²⁰ One can refer to Rothstein (1977) for a discussion on non-alignment from a realist perspective in his study titled *The Weak in the World of the Strong*.

vary unless it chooses to destroy our political and philosophical heritage (as cited in Kodikara 1988: 107)

Continuing the tradition of all previous governments, it is true that the UNP Government declared that it too followed a policy of non-alignment.

Yet, these verbal commitments seemed often to lose its heart at the struggle for winning friends for development and security agendas of Sri Lanka. At times it was alleged that the NAM conferences was used by Sri Lanka to voice the interests of its Western allies²²¹. In responding to the allegations that Sri Lanka had withdrawn from the praxis of non-alignment and was getting closer to the camp of the West, Foreign Minister Hameed stated that his Government was following ‘a policy of friendship with all’:

The government follows a policy of friendship with everyone, enmity with none. That is the policy we follow, the non-aligned policy, and those who are aligned and those who are holding a brief for others can never understand non-alignment, and if they speak about non-alignment, they do a great disservice to that great philosophy which alone could guide the Third World in the future (*Parliamentary Debates* 23:2, 22 Mar 1983 col.176).²²²

In a way Jayewardene’s policy of nonalignment was rather an attempt to provide legitimacy enabling him to align the state back with the West. For his regime, ‘friendship with all’ meant friendship with the West and the rest which had economic muscle to assist the small state with the exception of their political ideologies.

Jayewardene for Democratizing NAM

However, there are quite noteworthy features in President Jayewardene’s Chairmanship of the NAM. His concept of the ‘role of the Chairman’ was based on five principles (Hameed 1988: 353; also cited in Yatanoor 1997: 49). These five principles constituting the role of the Chairmanship included ‘the role as a referee; seeking agreement through informal consultations; concentration on selected areas of discussion and issues of world peace and prosperity of mankind; democratization of NAM proceedings; and

²²¹Sri Lanka’s plea to delink the proposal to restore Diego Garcia to Mauritius at the NAM Conference in March 1983 was seen as an attempt to please the US, *see* Dubey (1995:85).

²²² Speech of A.C.S Hameed.

strengthening the Movement's usefulness and effectiveness in World affairs' (Hameed 1988:353). In "Non-Alignment in an age of Alignments" Singham (1980)²²³ has referred to this concept of the role of Chairman as espoused by President Jayewardene.

Sri Lanka brought a new administrative style to the Movement in that it concentrated heavily on interpreting its role as the Chairman as the producer of consensus among differing groups. Sri Lanka saw its Chairman's role as being an arbitrator, a facilitator and, most of all, a conciliator between the various groupings (Singham 1980 cited in Hameed 1988: 358).

All in all, President Jayewardene made use of the Chairmanship of NAM for expressing itself to the international community. Nevertheless, it lacked the interest to fully commit to the principles of NAM as espoused by Nehru and Bandaranaike, particularly in a period of rapid changes in the economic sphere, locally and internationally. One cannot deny that Sri Lanka stood further for the cause of world peace and regional harmony through its support for disarmament and the policies of non-nuclear proliferation.

Jayewardene for Disarmament

Jayewardene's proposal at the UNGA for a World Disarmament Authority was accepted by the NAM (Yatanoor 1997: 49). The role of NAM was, therefore, seen quite differently by Jayewardene and his beliefs in economic openness and democracy as opposed to economic closeness and socialism was quite understandable. Yatanoor's analysis of President Jayewardene's policy of non-alignment underlines the major strategic goals expected by the small nations from their commitment toward the multilateral forums. Jayewardene's objectives of participating in NAM underlined a realistic goal, i.e., to keep away the great powers, particularly India at that point of time, from interfering in its internal affairs. Hence nonalignment for Jayewardene was a tool to prevent India's hegemonic approach toward the small state.

Sri Lanka has always urged peaceful co-existence among states and respect for territorial integrity and sovereignty. These imperatives, namely, sanctity of territorial sovereignty and integrity, led the government and the people of Sri Lanka to "condemn interference by major powers in the affairs of smaller states" (Yatanoor 1997: 53).

²²³Singham, A.W. (1980). "Non-Alignment in an Age of Alignments", *UNITAR News*, vol XII, Spring 1980

According to Foreign Minister Hameed NAM has had undertaken an important task in creating resistant to the aggression of the great powers. He spoke on this idea at the National Seminar on 'Twenty-Five Years of Non-Alignment' held in Colombo on 12 September 1986. He stressed that the nations under the umbrella of NAM needed to ensure of their protection, though the NAM is not a military alliance. However, Hameed said the NAM contributed for 'a very important but often overlooked phenomena' by "...reaffirming its opposition to the aggression and use of force" (Hameed 1988:362). He further added that;

The motto of the Non-Aligned is that the illegality of aggression and aggression itself, whenever or wherever it occurs, should never be allowed to be forgotten. It should never be allowed to form a pattern (Hameed 1988:362).

From a small state perspective, the strategic vision of NAM signified a rational practice based on national interest and state sovereignty; and small nations adopted it for their own survival in anarchy. Sri Lanka used this same philosophy in the regional context to resist the hegemony of India, during Jayewardene's period quite distinctively from other eras.

NAM Summit in New Delhi

The 7th Non-Aligned Conference of 101 nations was held in New Delhi in March 1983 (Qureshi 1983; Singh 1983). India's Prime of Minister Mrs Gandhi, newly elected Chairman of the Summit, outlined the broader agenda of foreign policy of the NAM by highlighting three major issues; the issue of Palestinians, apartheid in South Africa and the sovereignty of Mauritius and 'the nuclearisation of Diego Garcia'. Sri Lanka's dilemma with non-alignment was quite visible at this New Delhi Conference.

President Jayewardene spoke in support of the proposals of Mrs Gandhi. Particularly he spoke in condemnation of the policy of apartheid of South Africa.

In Africa racist oppression continues under the pernicious doctrine of apartheid and the people of South Africa and Namibia are held in captivity. Peace will elude the troubled Middle East until Israel withdraws completely from all occupied Arab and Palestinian territories and the inalienable

national rights of the Palestinian people have been restored (*Parliamentary Debates* 23:2, 22 Mar 1983, col. 153).

President Jayewardene's local policy on Tamils was not quite different from that of his counterpart in South Africa though he had criticized that country's policy (Shastri 1997). Tamil MP Dharmalingam said that he wished President Jayewardene would think about the Tamils in Sri Lanka a in the same way he thought of apartheid. He further said that similar to the Middle East, where the Palestinian people had lost their inalienable rights had no peace, in Sri Lanka too there would be no peace as long as the Tamils were denied their inalienable rights (*Parliamentary Debates*, 23:2, 22 Mar 1983, col. 153).

Dilemma on Diego Garcia

Sri Lanka displayed a different stance regarding India's concerns over Diego Garcia issue at the 7th Summit of the NAM held in New Delhi in 1983 (Dubey 1995:85). Sri Lanka's unwillingness to counter the interests of the USA in Diego Garcia through this new declaration was clear. Moving an amendment to the political declaration drafted by India, Sri Lanka wanted the Summit to reconsider the reference to dismantling the USA bases in Diego Garcia. Since 1965 the USA was using Diego Garcia as a base for fuelling and communication purposes (Imam 1972:5).²²⁴ The leaders of the non-aligned states decided that they stood by the sovereignty and territorial integrity of the Mauritius and demanded that the Diego Garcia be returned to the Mauritius (*Summit Declarations of Non-Aligned Movement* (1961-2009)).²²⁵ Further, the New Delhi Summit was a strong voice against the great powers who wanted their interests to prevail against the will of the small states. The following resolution testifies to it.

The Conference condemned the establishment, maintenance and expansion of foreign and imperialist military bases and installations, such as Diego Garcia, by the great powers in the pursuit of their strategic interests as well as the continuing escalation of great power military

²²⁴USA bought the bases from the UK in 1965

²²⁵ The full resolution can be found in "Summit Declarations of Non-Aligned Movement (1961-2009)" [Online Web] URL:<http://namiran.org/wp-content/uploads/2013/04/Declarations-of-All-Previous-NAM-Summits.pdf> pp219-20 accessed 08 October 2015.

rivalry and tension in the Indian Ocean as they constitute a direct threat to the independence, sovereignty, territorial integrity and peaceful development of States of regions (*Ibid*).

Diego Garcia was the biggest base in Indian Ocean and a major strategic location. The opposition in Sri Lanka, particularly Tamil MPs, viewed, “no person who is seriously interested in security of our region would have brought such an amendment” (*Parliamentary Debates*, vol: 23:2, Mar 1983, col. 153).As Dharmalingam, MP, elaborated the danger of this issue was enormous since it involved nuclear weapons:

For the first time nuclear weapons, nuclear warheads, nuclear submarines have been introduced into our area in Diego Garcia. There are many submarines, there are many Phantom Jets, there are many B-52 bombers and there are a number of ships ready to transport material and personnel for the rapid deployment of forces that are to be stationed there or have already be stationed there and will operate from there (*Ibid*).

Having argued about the militarization of the Indian Ocean region, Dharmalingam questioned the UNP government for its stance on the issue in amending the political declaration presented by Mrs Gandhi. He said; “you would see that there can be no greater danger to our area than from Diego Garcia. I don’t know why Sri Lanka did not want that word to be mentioned, and why Sri Lanka specifically asked that Diego Garcia be excluded” (*Ibid*).Since Sri Lanka wanted to assure the participation of the USA in the 1984 Conference on Indian Ocean Peace Zone, it thought it could be problematic in case Sri Lanka had agreed to India’s proposal to include Diego Garcia in the NAM’s political declaration. Dharmalingam argued that “...America would not participate if we talked about the dismantling of the base in Diego Garcia” (*Ibid*). According to him America did not like to see IO becoming a Zone of Peace as it had already declared the area was of vital into interest to the USA.

Sri Lanka justified its stance on Diego Garcia and argued that it was not alone, but, “The majority wanted it and eventually the deletion was by consensus” (*Ibid*, 23:1, 1983, col. 170).De Silva (1995) points out that Sri Lanka’s proposal was supported by ASEAN members too and they all could get the ‘reference to Diego Garcia deleted form the communiqué’ (p.65). Even though Sri Lanka had in principle agreed on the issue of sovereignty of Diego Garcia, its real stance on USA’s bases was not helping Mauritius to

keep its sovereignty intact. In this issue Sri Lanka was clearly trapped in between India's concerns over regional security and the USA's interests to have bases in this part of the world. The Jayewardene administration decided in favour of the USA as it was traditionally a pro-West country, and always wanted to resist India under Mrs Gandhi.

Jayewardene Inviting Castro

President Jayewardene wanted to prove that his critics were wrong and that he was not pro-American, but could even relate well with the Communist countries like Cuba. According to reports, during the NAM in New Delhi in 1983, President Jayewardene had invited Cuban President Castro to visit Sri Lanka. But Cuban leader had cracked a jalk at this request and asked whether President Jayewardene 'had taken permission from President Reagan for inviting him (*Ibid*, col. 164).²²⁶ This story, quite sarcastically and hyperbolically though, reveals how the UNP under Jayewardene had followed a pro-American policy. President Jayewardene earned the nick –name, 'Yankee-Dicky,' for his rather devotional allegiance to the USA (Rozen 2010²²⁷; Sabaratnam 2004).²²⁸

From 1983 to 1990 Sri Lanka's non-alignment had recorded a sharp tilt to the West; moreover, it had wanted to deviate from the orbit of Indian security strategy in the Indian Ocean (Dubey 1995). India under Prime Minister Indira Gandhi considered Jayewardene as a 'Western puppet' and Indo-Lanka relations were at doldrums. Sri Lanka viewed both India and USA from purely power-centric point of view and it had joined the alliance of the USA. It ignored non-alignment and provided lip-service to NAM. It tried to attract the superpower against the regional power. Under Richard Nixon, USA had 'hated India' due to Indira Gandhi's regional policy (Randeri 2006).

As all previous governments, the UNP under Jayewardene was non-aligned, but it was not as radical as the SLFP had been from 1970 to 1977. The non-aligned principles were

²²⁶ As mentioned by MP Rohan Abeygunasekera

²²⁷ Laura Rozen (2010) "Interview with Sri Lanka's FM", URL: http://www.politico.com/blogs/laurarozen/0510/Interview_with_Sri_Lankas_FM.html,

²²⁸

URL:

<http://www.padippakam.com/document/EelamHistory/LttePraba/LttePrabaVol1/PirapaharanCh29.pdf>

interpreted by the leadership of the two major parties differently. In fact they had no issue with the way the West or the Soviet handled world affairs, but the major issue seemed who could offer more aid without strings attached. Finally, the 1980s was a period of alignment with the West (US, UK and Israel axis) and China, rather than non-alignment and can be equalled to the policy of the first eight years after independence (1988-56) toward the UK. The next section explores Sri Lanka USA relations under the theme of Sri Lanka-major power relations.

5:2. Relations with Major Powers

The above section analysed the policy of nonalignment of Sri Lanka after 1983. This section will analyse the nature of Sri Lanka's relations with the major powers, USA, UK, China etc. during the same period and see how such relations could amount to be alliance partnerships and see whether they could deter India's aggressiveness towards Sri Lanka in the mid-eighties

5.2.1. Relations with the USA: Hurting Indian Interests

The UNP governments favoured the association with the USA every time they are elected to power; particularly, President Jayewardene had long been a pro-American statesman since he was the Minister of Finance in the first independent government. When Jayewardene became the first Executive President of Sri Lanka, the West, and particularly, the USA had got a reliable ally in the South Asian region. According to De Silva (1995) Jayewardene regime displayed 'compatibility of views' on 'wide range of issues involving the Asian region' (p. 66). Its pro-Western thinking, therefore, was not only a result of economic pragmatism, but also due to similar political thinking as well. Though the UNP had to face the opposition locally to its policy toward the USA and answer the charges on its conduct of the 'pro-USA policy' (Kodikara 1988:107), particularly when the aggression of the great power had to do with small states, in the Middle East or any other theatres. This section will discuss Sri Lanka's relations with the USA, as a trusted ally of the great power at a time when the regional hegemonic pressure on its conduct of the domestic war was being acutely felt.

Maintaining Silence on Superpower Aggression

In the 1980s, the UNP regime was hardly condemning superpower aggressions in several theatres in the world. Yet the opposition parties were highly protesting the USA and alleging that the Reagan administration ‘was the cause of escalation of tension everywhere’. The opposition vehemently criticised the attack on Libyan planes in the Gulf of Sirte in 1982. According to some members the ‘peace of the world was disturbed by the partial action of the USA’ and they were indirectly suggesting Sri Lanka should keep away from it. Mainly the peace in the Middle East was disturbed by the action of Israel backed by America. The Security Council had met 88 times during 1982 and “almost half of the number of occasions were devoted to complaints made by countries against Israel aggression backed by America” (*Parliamentary Debates* 23.1, 21 Mar 1983, col.152. speech of V. Dharmalingam, MP).

However, the ruling party under President Jayewardene followed a policy of keeping silence on the super power aggression and was very selective in criticising the politics of great power competition in the region, as well as elsewhere. There were several instances where Sri Lanka attempted to accommodate USA’s interests, while, probably, India wanted to oppose such moves by the small state, and we discuss them below.

Ships from the Seventh Fleet in Lankan Ports

During the NAM Conference in New Delhi in March 1983, Sri Lanka was hosting a United States aircraft carrier, the *USS America* in Colombo Port (*Ibid.* col. 157). This ship was suspected to carry nuclear weapons too. The media questioned the Captain of the vessel whether the ship was carrying nuclear weapons. However, the Captain neither wanted to deny that nor did he want to admit that. According to the opposition, the UNP government had hosted ‘not a fishing boat’, but ‘a powerful aircraft carrier which could carry 93 or 85 aircrafts’. Also during the same period, Sri Lanka allowed several other vessels at its ports. Another big ship belonging to mercenaries was in Colombo Port; while another destroyer called the ‘Kig’ and a cruiser called ‘Dale’ were stationed in Trincomalee harbor (*Ibid.* col.157). Wijesinha (2013) points out that this situation of increasing encroachment of the USA in the Indian Ocean had led to a conflict with India:

Sadly this led to conflict with India which was seen, in the dichotomizing view of the West, as a Soviet ally. Though I believe she was essentially Non-Aligned (and certainly never embarked on the economic excesses that we engaged in). We tried to persuade the Americans to use the port of Trincomalee, and gratuitously stopped an Indian firm from using the old oil tanks that had lain unused there since the Second World War. Even more upsettingly perhaps, and ironically, given how outdated the technology soon became, we agreed to allow the United States to set up a Voice of America station opposite the Indian Coast, which of course rang alarm bells (Wijesinha 2013).²²⁹

India's enmity was growing against Sri Lanka in this context. The Tamil MP V. Dharmalingam alleged that Sri Lanka had allowed 'all these' to take place while the NAM was taking place in New Delhi. He went on to interpret the action of the USA as a message sent for the NAM countries that America did not care "a damn about" what they had to say in the NAM Conference. Because, America considered it had "friends further down South (*Sri Lanka*)" and in "Pakistan". According to the opposition, particularly Tamil MPs, Sri Lanka had breached the NAM principles, was hurting India's interests.

And they (USA) demonstrated that they have friends here in Sri Lanka and that they could even bring their whole rapid deployment force and keep it here and cook a snook at both India and the Non-Aligned Movement. And what is worse was that Hon. Prime Minister went on board that ship on the very day that the Non-Aligned Movement was being held in New Delhi or the President was speaking (*Parliamentary Debates*, 23.1, 1983, col. 157. Speech of MP V. Dharmalingam).

The hosting of US vessels were seen by the opposition MPs as a serious breach of NAM principles, as well as a demonstration of arrogance towards India. Prime Minister of Sri Lanka himself had been on board of one of the vessels while the President was addressing the NAM in New Delhi. As the opposition alleged, Sri Lanka under the UNP was 'paying lip service' to NAM while its real intention was to side with the USA and the Western allies.

²²⁹ See: RajivaWijesinha, "China, India and the United States as seen from Sri Lanka", URL: <http://www.thesundayleader.lk/2013/11/03/china-india-and-the-united-states-as-seen-from-sri-lanka>.

accessed on 30/09/2015

Policy to Allow Any Warship

Foreign Minister Hameed did not agree that Sri Lanka had breached the principles of NAM through its action of hosting foreign ships. As he clarified further, Sri Lanka would have to open up its ports for all countries and not only to the USA.

...we **(the UNP Government under Jayewardene)** allow any warship to come in, whether it be from the United States, the Soviet Union, France or the United Kingdom, if they make a declaration they are not carrying nuclear weapons, the country to which the ship belongs is not at war. **That is our practice** (*Ibid*, col.170).

Sri Lanka displayed restraint only to the principle of non-use of nuclear weapons in the Indian Ocean. Otherwise, it had to allow all warships from any country in its ports. Somehow, America's ship, neither denied nor accepted that it was carrying nuclear weapons. Prime Minister Premadasa's visit to the warship would have raised the suspicion that full state sponsorship to enter the waters of the island despite India's opposition and suspicion toward it had been granted for it.

The USA was planning to construct VOA facility in Sri Lanka in the 1980s (USGAO 1992:19). However, the UNP was being charged by the opposition that it had secretly allowed the USA to establish broadcasting facilities for its propaganda in the Asian region. The opposition MPs believed that the UNP regime of Jayewardene was hiding the VOA agreement from the people (*Parliamentary Debates* 24:7, July 05 1983, col. 765).

USA's Support to fight Terrorism

The UNP Government accused India that it had offered logistics, weapons and training for Tamil separatists of Sri Lanka., The role of Research and Analysis Wing of India (RAW) in training and arming the Tamil militants as per a decision by Indira Gandhi to assist the Tamil separatists after 1983 is no secret (Gunaratna 1993; Bandarage 2009). *The Tamil International* (1 August 1984) reveals that Tamil Nadu had several training camps during that stage stationing five Tamil militant groups for military training. The following account by Bandarage (2009) depicts the progress of the Tamil militants based in Tamil Nadu.

Within a year of Indira Gandhi's policy decision, the number of Sri Lankan Tamil training camps in Tamil Nadu had increased to 32. There were only about 300 terrorists belonging to the five principal groups when Black July occurred. But, according to Gunaratna's estimates, by July 1987, when the Indo-Sri Lanka Accord was signed, as many as 20,000 had been given sanctuary, finance, training, and weapons by the central government of India, the state government of Tamil Nadu, or the insurgent groups themselves (Bandarage2009: 114).

India's backing for Tamil militants enable them to fight Sri Lanka's 'weaker' military at that time. In such a context, the UNP believed that the USA shared Sri Lanka's attitude towards terrorism, despite India's open support to it.

Meanwhile, the U.S. Senator Edward Kennedy had deplored terrorism as 'totally unacceptable' and praised the Sri Lankan government's approach to the conflict (*The Sun* of 3rd March 1986). He noticed that negotiations had been underway then among the government of India, Sri Lanka, and various Tamil groups.²³⁰ According to him 'efforts of President Jayewardene and Prime Minister Rajiv Gandhi deserved to be commended' (*Parliamentary Debates*, 40:3, 4 Mar 1986, cols. 344). The USA displayed its diplomatic concerns on the issue of Sri Lanka. However, Dubey (1995) points out that US had pledged military assistance to Sri Lanka. As he pointed out several important diplomatic and military level visits had taken place between Sri Lanka and the USA after 1983 (*see* Dubey 1995: 86).²³¹ Also the USA had 'conceded' Sri Lanka's request for military aid (*Ibid*).

The next section analyses the relations with the UK. India believed that Jayewardene had entered an axis of relations with the USA, UK and Israel in the evolving context of the ethnic war in Sri Lanka.

²³⁰First attempts of political negotiations took place in Thimpu, Bhutan with the participation of several Tamil militant parties and Sri Lanka's representatives in 1985. See: "The Thimpu Talks 1985: Sinhala-Tamil Conflict and the Indian Factor", URL:

<http://tamilnation.co/conflictresolution/tamileelam/85thimpu/sivanayagam.pdf> accessed 11 October 2015

²³¹The visit of US Defense Secretary Casper Weinberger was "unplanned and unscheduled" and President Reagan's ambassador and a delegation led by Chairman of the Defense Appropriation Committee, Mr. JABdabbo had visited Sri Lanka around this period (*see* Dubey 1995:86).

5.2.2. Relations with the UK: An ‘Unexplainable Affection’

As seen in chapter 3, Sri Lanka under the then UNP regime aligned with the UK for national security and had resisted any possible threat of invasion from India. Similarly, in the 1980s too, the UNP government, this time under President Jayewardene, found his administration in an insecure situation due to the civil strife in the Northern peninsula. The government suspected the growing Tamil militancy in the North as a product of political elements in Tamil Nadu and perceived of an existential threat on its security.

The post-1977 UNP leadership was vocally challenging India and siding with the West through economic liberalization which India had suspected for having its suspicions at the possible encroachment of the western powers in to the Indian Ocean. As the conflict began loomed large the small state had to search for assistance world over, and this section will analyse how much the UK could become a source of countervailing force in the face of India’s spectacular hegemony in 1980s. In order to attract UK’s assistance to deal with its local woes, economic development and national security, Sri Lanka had to ignore its non-alignment at times or reinterpret it so to give a pragmatic definition to it. Some of such instances are discussed here.

Jayewardene’s Visit to UK in June 1984

In June 1984 President Jayewardene paid a private visit to UK on his return journey from the USA. *The Sunday Times* (June 24, 1984) reported that Jayewardene’s visit was meant to urge UK’s support to the “war against the “Tamil Tigers” (as cited in *The Tamil International*, 1 August 1984). According to Mary Anne Weaver’s report in the *The Sunday Times*, Jayewardene regime had already received some military assistance from the UK and the Israeli intelligence organization, Mossad. Accordingly, Sri Lanka had hired “a group of British mercenaries, veterans of SAS,²³² to set up an intelligence organization” that would support the government’s fight against the Tamil guerrillas (*The Tamil International*, 1 August 1984). A group of intelligence personnel from the UK’s

²³² Special Air Service Unit of the British Army, created in 1940s, had its formal formation 1950s. See, <http://www.sasregiment.org.uk/> accessed 06 October 2015

SAS came to Sri Lanka in January 1984 and India's Prime Minister had protested over this arrangement (*Ibid*). According to the British High Commission in Colombo the operation of the former of SAS group in Sri Lanka had 'nothing' to do with the government of the UK since it was a private organization (*Ibid*). Also before the arrival of SAS intelligence Sri Lanka had requested the USA and the UK to establish an 'anti-terrorist assistance programmes to be run by the CIA and MI5' (*Ibid*). According to British media Jayewardene's visit to UK was expected to brief Thatcher government on terrorism in the North and asks for possible assistance to counter it. *The London Times* during this time ran the headline, "Terror on Sri Lanka agenda" (*Ibid*).

Nevertheless, the Thatcher government had communicated to India that the UK was not sending "mercenaries" as reported in newspapers or any other military units to Sri Lanka (*Ibid*). *The Hindustan Times* also provided coverage to Jayewardene's visit to UK and mentioned that 'Jayewardene had brought his tale of woe to Britain' (*The Hindustan Times*, July 03, 1984 as cited in *The Tamil International* 1, August 1984). According to *The Hindustan Times* of 03rd July, Indian reporters had not been allowed in the press conference after Jayewardene's visit to UK, but Jayewardene had revealed in that media briefing that he had wanted the UK to 'curb the activities of 'militant Tamils' raising funds for terrorist activities in Sri Lanka (*Ibid*).

It is important to note here that India and Tamil Nadu had viewed Sri Lanka's request from the world for military support to curb Tamil military activities to India. Also, the UK had been careful to inform India of the developments in the diplomatic correspondence between Sri Lanka and the UK over the issue of terrorism and requests for military assistance. Following the private visit of Jayewardene's visit to UK to meet Prime Minister Thatcher and Foreign Minister in 1984, Thatcher visited Sri Lanka in 1985.

Thatcher's Visit to Sri Lanka

Prime Minister of UK, Margaret Thatcher, visited Sri Lanka in April 1985 as a part of her tour in South-East Asia. She inaugurated the 'great Victoria Project' on 13th April and addressed Sri Lanka's Parliament on 15th April 1985. UK came forward to assist Sri

Lanka in its hydraulic power and water supply projects through the construction of a large dam in the hill country. UK's assistance was appreciated by President Jayewardene as provision of 'the great gift, the greatest gift, of water the country has ever received up to date'. As the water supply is essential for an agricultural country like Sri Lanka, assistance from the UK was greatly appreciated.

Addressing the Lankan Parliament she reminded how the UK had provided aid to Sri Lanka after 1977, during Jayewardene regime: "...it is our duty to help. We in Britain are particularly proud of our AID programme. Since 1977 it has helped Sri Lanka to the tune of over £150 million" (*Parliamentary Debates*, April 13, 1985, col. 1495). The great dam project, Victoria, was funded by Britain. She further said her Government's contribution of over £100 (£130 according to Thatcher archives)²³³ million for the dam was 'clear proof' of its belief in the potential of Sri Lanka's economy. In the same speech she promised to offer another £20 million as a grant to strengthen Sri Lanka's economy.

Most importantly for the UNP regime, British Prime Minister drew comparison between the violent conflicts in Britain and Sri Lanka:

Both our countries have been the victims of terrorist violence, the virulent disease which afflicts so many countries today. So I can sympathise with your efforts to combat terrorism here in Sri Lanka. A firm response to those who use violence, who try to achieve with the bullet what they cannot do through the ballot, is vital (*Ibid* col. 1498. Speech of Margaret Thatcher).

Further, she added that: "But Governments must stand ready to work with those in minority communities who are willing to argue their cause peacefully and democratically" (*ibid*, col. 1498). She also regretted the failure of the all party conference to achieve consensus on the basis of proposals made by the government of Sri Lanka (*Ibid*, col. 1498). The attitude of UK toward Sri Lanka's ethnic conflict was a soft one. As revealed in the speech of Margaret Thatcher addressing Lankan Parliament, the UK and Sri Lanka relations were at a peak during the 1980s.

²³³ See. URL: <http://www.margaretthatcher.org/document/106022>, accessed 07 October 2015

Sri Lanka - UK Defence Ties

The UNP had wanted to revive the Defence Agreement with the UK. During Thatcher's visit media queried her on whether the agreement was still in operation. And she replied with a surprise tone; "Which agreement are we talking about, because we are obviously considering the future aid programme and announcements will be made about that in due course" (*Ibid*).²³⁴ Also on the issue of the IOZOP, the UK Prime Minister stated that she did not believe in a zone of peace; rather she believed that "each nation must make preparations to defend its own security and enter into alliances for the same" (*Ibid*). According to her "The only true security...is the security which you yourselves create, coupled with the alliances you fashion" (*Ibid*). It is very clear that the UK was not encouraging Sri Lanka to go forward with the idea of IOZOP, and also why the Jayewardene government did not continue the initiative taken by the previous government of Mrs Bandaranaike was very clear then. Clearly, Sri Lanka, by this time, was re-entering its old alliance with the UK and the West; and Thatcher seemed to appreciate that stance. On the issue of terrorism, the UK Prime Minister told that she did not "believe that terrorism should ever win" (*Ibid*).²³⁵ She also shared that her government was fighting terrorism within the United Kingdom" and believed that victory for terrorism would be the end of democracy (*Ibid*). Moreover, the issue of fund raising and arms procurement by the LTTE in London was something Sri Lanka wanted the UK to stop within territory; for that issue, the UK Prime Minister assured positive assistance:

We do everything possible to stop the purchase of arms for such a purpose and that will not surprise you, because as you know, I asked the United States Government to do everything possible to prevent the purchase of arms for the IRA through NORaid, and we do everything possible to see that no such arms are purchased (Thatcher, 12 April 1985).

In this press conference, she always tried to maintain that the ethnic conflict and its solution was an internal issue of Sri Lanka and the UK did not want to interfere with it.

²³⁴1985 Apr 12 Margaret Thatcher, Press Conference in Sri Lanka, URL:<http://www.margaretthatcher.org/document/106022>

²³⁵A media person queried about the deepening ethnic crisis in Sri Lanka and its link to the independence without making Sri Lanka a federal state by UK; UK Prime Minister denied that view (*Ibid*).

However, she was of the view that within the democratic process the solutions would have to be found for the ethnic issue of Sri Lanka.

Thatcher's Mediation with India

The U.K. Prime Minister Margaret Thatcher left Sri Lanka to arrive at New Delhi on 14th April 1985; she had carried a personal message from President Jayewardene to Prime Minister Rajiv Gandhi of India. According to that message, President Jayewardene had assured Prime Minister Rajiv Gandhi that he was “prepared to go all the way in finding a widely acceptable political settlement to Sri Lanka’s ethnic conflict, once the Tamil extremists give up their terrorist campaign” (*Parliamentary Debates* May 10, 1985, col. 389).²³⁶ It seemed that Sri Lanka had showed more positive signals to the Rajiv Gandhi’s regime than to Mrs Gandhi’s. From 1985 to 1987 there were several attempts for a political solution to the conflict with India’s mediation which will be discussed under Indo-Lanka relations.

Britain came forward to assist Sri Lanka in the tragedy that occurred due to the floods caused by the break-up of the bund of Kantale reservoir bund in April 1986. Also, Britain volunteered to assist the government of Sri Lanka in the process of complete rehabilitation of the people affected by the tragedy. Meanwhile, World Bank assistance was assured for the rehabilitation of the damaged reservoir (*Ibid*, 40:9, April 25, 1986, col. 837).

British Interest in Diego Garcia and Falkland Island Issue

Britain owned the Chagos Archipelago which Mauritius was claiming entirely. The island of Diego Garcia was situated within this archipelago. During the NAM in New Delhi this issue came up and Sri Lanka vehemently opposed that it would be included in the political declaration. Yet there was huge outcry locally against the government’s stand and the opposition parties argued that Sri Lanka should stand for the sovereignty of Diego Garcia which was very important for Mauritius. The opposition members argued that even if the USA wanted Sri Lanka to oppose the claims of Mauritius it had to support the position that Diego Garcia belong to Mauritius including the archipelago. The

²³⁶ Cited from *The Hindu* cited by Sarath Muttetuwegama, MP,

dilemma now before the UNP regime was as to how it could go against the British who had largely funded some of the mega projects during this period in Sri Lanka.

The second issue was the ownership of Falkland Island. In regard to the Falkland issue Sri Lanka took the side of the UK when the majority of the states had either abstained or voted against when the issue came up in the UNGA. As the opposition leader Anura Bandaranaike criticised, the UNP had “an unexplainable affection” for the United Kingdom and also an “unexplainable hostility toward a Third World country, Argentina”. *The Sun* observed that ‘Sri Lanka isolated itself with only a few countries supporting Britain on the Falkland issue’; “when 116 nations voted against Britain on the resolution which calls for negotiations on ‘all aspects’ of the Falkland issue” (*The Sun*, 27 Nov 1986).

Whether Sri Lanka voted in favour of the resolution on the Falkland issue out of fear or pressure from the UK was a question, but *The Sun* reported that according to political analysts ‘the Thatcher Government had apparently exerted pressure on several countries including Sri Lanka’ (*The Sun*, 27Nov, 1986).

Economic Relations with the UK

The UK funded one of the largest Mega projects, the ‘Victoria’ reservoir and hydropower project in Sri Lanka. This was also “the largest single overseas aid project ever undertaken by Overseas Development Administration” of the UK government (*Ibid*). Apart from that the former colonial master had impressive economic and trade relations with Sri Lanka during this period.

Sri Lanka found a reliable ally in the UK during the 1980s. It was the former colonizer with which Sri Lanka had a security pact in 1950s. In the backdrop of the ethnic conflict and India’s military assistance to Tamil militancy, Sri Lanka wanted to renew the relations with the UK in all terms. Economic, diplomatic and political ties with the UK was revived hugely, and also it is believed that the UK was a part the axis constituted by USA and Israel for military assistance for Sri Lanka’s war. In the next section we analyse the revival of the UNP regime’s relations with China.

Relations with the UK under Jayewardene regime played a major role in the economic and development spheres for Sri Lanka. Sri Lanka aspired to stand as a developed country and thought of the economic liberalisation as a panacea for all its domestic ailments. The UK was happy to see that Sri Lanka fully entered the liberal capitalist world of economy after 1977 and it pledged much for development and investment. More importantly UK was once again getting closer to Sri Lanka as it had done during first era of independence. Sri Lanka tried much to receive military assistance too. Particularly, when India–Lanka relations were deteriorating, the UK’s cooperation helped Sri Lanka within the Commonwealth and the West to set its posture in international arena with recognition.

5.2.3. China: Dependable Friend

China has been an unwavering source of assistance to Sri Lanka after 1952. Both the UNP and SLFP approached China for trade, aid and loans and it was ready to grant such assistance to the small state without any conditions attached to them, or at least the general perception of Sri Lankan diplomatic community toward China. This section explores Sri Lanka-China relations in the post -1983 period and examines.

The foundation of China-Sri Lanka Society marked a special occasion for the relations of the two countries in 1980s (*CSLS* 2007). According to Ranil Wickremesinghe, ‘Politically the two countries used to consult each other on global issues’ (*CSLS* 2007:5). These developments of people to people contacts and remarks by major politicians of Sri Lanka over Sri Lanka’s relations with China indicate the growing importance Sri Lanka had given to China in its external relations. The 1980s was an era Sri Lanka expected China to play a leading role in safeguarding its territorial integrity and sovereignty. For critics “Colombo has always factored in ... diversified external relations ... to withstand pressures from India...” and 1980s testified to this reality of Sri Lanka’s external policy, particularly towards China (Bhadrakumar 2013).²³⁷

²³⁷“The Mood is Bullish in Colombo” 23 November 2013 M K Bhadrakumar,

URL:http://in.rbth.com/blogs/2013/11/23/the_mood_is_bullish_in_colombo_31097 accessed 01/10/2015

India's indifference to rising ethnic violence and tacit assistance to Tamil militants made Sri Lanka go to the Asian giant China. The UNP regimes, though ideologically anti-Communist, had a huge trust on Chinese Communist state since 1952 onwards. However much the West would object to Sri Lanka China connection, Sri Lanka used to justify relations with China, mostly alluding to India's favouritism to Tamils' militancy and open support for them. This time too when India was closely assisting Tamil militants, Sri Lanka began to get closer to China. This period in world politics was not quite bent on ideologies as the two great powers had started to appease themselves. This section attempts to understand the nature of Sri Lanka's relations with China in the context of rising anti-Indianism in foreign policy and being closely linked to Western normative and economic spheres of influence.

High Level Diplomacy with China

In 1982 a group of young MPs from Sri Lanka visited China and they were accompanied by Sri Lanka's ambassador to China. In the same year Chief of Air force (Air Marshal) also visited China. Further among such low level but important official visits to China included the visit of the Secretary to Ministry of Higher Education during the same year.

President Jayewardene's visit to China in 1984 took place when it was rumoured that India's DMK was having training camps in Tamil Nadu for the Tamil separatist elements of Sri Lanka. S.D. Bandaranayake, MP from Gampaha District, defended thoroughly the visit of President Jayewardene to China, while the opposition SLFP questioned 'as to what Treaties or Pacts the President had entered into with China'. According to Bandaranayake, since 1949 'China had developed to be the most dependable friend of Sri Lanka'. He questioned the opposition that whether they did not think that Sri Lanka should have "powerful allies in addition to Madam Indira Gandhi" and the then 'Government of India'. He further asked as to who would stand by Sri Lanka and help it safeguard its sovereignty and territorial integrity in case of aggression by the *Dravida Munnethra Kazhagam* of Tamil Nadu (*Parliamentary Debates* , May 24 1984, col. 30).

The nationalist MP, Bandaranayake, propagated a massive anti-Indian attitude and argued in the following manner:

If India is preparing for an armed confrontation as stated once again by “India Today”, Sri Lanka has to prepare itself for an armed struggle to meet this confrontation (*Ibid*, col. 30).

Sri Lanka wanted to use the relations with all the major countries in Asia and the West to counter India’s security threat as it was interpreted by nationalist critiques. Therefore, they justified the UNP’s policy to visit Asian and Western allies in the context of deteriorating relations with India.

Our President is visiting Japan, South Korea and the U.S.A. in addition to China. What is wrong? Let him visit the U.S.S.R and even other countries. We have to be friendly with all countries in the world and if necessary call for a special session of the UNO and His Excellency can address the UNO (*Ibid*).

The UNP’s countervailing strategy against India was clearly a multi-pronged one. China played a huge role in that strategy and the entire government approved Sri Lanka-Chinese relations. Diplomatic relations in the fields of trade, aid, culture etc. between China and Sri Lanka progressed well during Jayewardene’s period. In 1984 the two countries signed an agreement on economic and trade cooperation (Kelegama 2009; SLCS 2007:24). In January 1985 Mr Wu W.U. Xueqian, State Councillor and Foreign Minister visited Sri Lanka (SCS 2007:24).

In March 1986 President of the PRC Li Xiannian visited Sri Lanka (*ibid*). This tour was undertaken by Chinese leader as a part of his visit to five other countries including Bangladesh in South Asia (Garver 2001: 306). The significance of this visit was two-fold; first, China publicly announced its support for Sri Lanka and then carried a personal message to President Jayewardene. Publicly, Chinese President announced that:

The Chinese people treasure the friendship of the Sri Lankan people. It is the unshakable policy of China to continually consolidate and develop Sino-Sri Lankan friendship and cooperation. China will continue, as in the past, to resolutely support Sri Lanka’s efforts to uphold national independence, sovereignty, and territorial integrity, and to strengthen national unity (cited in Garver 2001: 306).

China showed Sri Lanka its utmost friendship, no doubt. But, it also was not naïve to ignore the reality of Indo-Lanka relationship and its growing tension. Therefore, in a private message, Chinese President also wanted Sri Lanka to consider a political solution

to the ethnic conflict, and had told “it would supply no more arms” (Garver 2001: 306). China in fact wanted to avoid any unpleasant incident with India and was cautiously advising Sri Lanka. As Garver (2001) argues that Chinese military aid to Sri Lanka saw a drastic decline after 1985 (see Table 5:1). And also Sri Lanka was slowly entering the path of negotiations after 1985 culminating in 1987 of the ILA. However, diplomacy between China and Sri Lanka continued well into the next decade without any issue.

In May 1989, former President D.B. Wijetunga visited China in his capacity as Prime Minister (ibid). In December 1990, Li Peng, Prime Minister of China visited Sri Lanka (SLCS 2007:24). Likewise the political and diplomatic relations between the two states continued during the 1980s. The significance of this relationship was that it happened at a time when Sri Lanka was constrained regionally with India’s political conditions and internationally with the conditions of the human rights regimes. China’s continuous assistance was sought by Sri Lanka during this period and China had remained a ‘dependable friend’ as already stated elsewhere.

Chinese Military Assistance

Sabaratnam (2004) who has vividly accounted the struggle of Prabhakaran, LTTE supremaagainst the Sri Lankan government in his book *Piripaharan*, describes Jayewardene’s visit to China as a part of his ‘pilgrimage for arms’; Jayewardene also visited USA during the same year.

Jayewardene commenced his pilgrimage for arms as the dust settled on the Allen affair²³⁸. He went first to China and then to the United States. In Beijing and Washington Jayewardene publicly and privately asked for military hardware. He built up his case for assistance saying Sri Lanka faced the threat of Indian invasion, India was arming the Tamils with the objective of dividing Sri Lanka and he needed arms and equipment to uphold the sovereignty of the country (Sabaratnam 2004).

²³⁸Stanley Bryson Allen and his wife, American citizens, working in a water supply project undertaken by Ruhling Company of Ohio were kidnapped by EPRLF’s military wing PLA (People’s Liberation Army) in the Northern Sri Lanka in 1983, suspecting them to be CIA agents. The controversy arose as the two Americans were kidnapped for ransom by the Tamil militants which later became another issue of contention between India, Tamil Nadu and Sri Lanka. Sri Lankan government used the incident to further castigate Tamil militants as terrorists and seek military aid from the USA. See Sabaratnam (2004)

Jayewardene's visit to China in 1984 after the incidence of Black July and rising Tamil militancy in the North of Sri Lanka assured him Chinese military assistance. He told the Chinese President Li Xian that there were attempts to invade Sri Lanka and "fifteen million people will die unconquered" if invaded (Sabaratnam 2004). Chinese leaders were sure that 'Sri Lanka could manage' its problem (*Ibid*). According to the Sri Lankan leader "China" was "an encouragement to small countries like Sri Lanka" (*Ibid*). In his meeting with Chinese Premier Zhao Zi, Jayewardene had discussed of "specific military requirements" (*Ibid*).

The position of our internal security causes considerable problem for us and here again you have been helpful to us in the gifting of six patrol boats for our navy. We would like some more of these boats because they are useful in interdicting illegal immigration and also terrorist activities in the North. (Jayewardene quoted in Sabaratnam 2004)

During the same visit Jayewardene also met Deng Xiaoping the Chairman of the Military Commission of the Communist Party of China. Sabaratnam, in his narrative of Prabhakaran's struggle, has mentioned how Jayewardene pleaded for military assistance from China:

provide some gun boats to protect(the country) from the terrorists, as you have done in the past, which will help us to prevent illegal immigration from the Indian coast which is only 20 miles away from our Northern boundary" (Sabaratnam 2004).

President Jayewardene's visit to China in 1984 was significant because it was the first time Sri Lanka had directly asked for Chinese military assistance to counter the illegal infiltrations of Indians to the island. Following Jayewardene's visit Chinese Air Force Chief Zhang Tingfa arrived in Sri Lanka in July 1984 (*The Tamil International*, 1 August 1985). In 1985, Minister of National Security and Deputy Minister of Defence, Lalith Athulath Mudali, also visited China in this context of growing military ties between the two countries.

As Garver (2001) points out, the visit of the PLAN squadron on a friendship tour in November 1985 is "the most dramatic Chinese support for Colombo" (p. 306). He argues that the connection between this visit of the PLAN and the deteriorating Indo-Lanka relations could be "spurious", yet, it took place at a very crucial time.

Nonetheless, the visit took place in a situation of increasing tensions in the Palk Strait. The Indian coast guard and navy were doing little to intercept the movement of men and army by sea between Tamil Nadu and Sri Lanka, and the Sri Lankan navy was doing what it could to stanch that flow. There were also incidents involving the Indian and Sri Lankan navies (Garver 2001: 306).

Chinese navy was, as Garver (2001) himself points out, however was no match for the Indian navy's dominance in the Indian Ocean during the mid-eighties; yet the Chinese security dilemma was growing on the security for its sea routes in the Indian ocean with the increasing volume of trade of China. The ensuing power rivalry between China and India in the Indian Ocean, therefore, had been in the backdrop of the Chinese presence naval in the Colombo ports. However, China was careful enough not to antagonize India at any instance. Thus prior to the signing of ILA in 1987, Sri Lanka was attempting to stop India by taking all efforts to balance its military drive worked against Sri Lanka through the Tamil militants of the country's North. China's military assistance continued up to 1985 on a considerable scale, but after 1985 there was a decline in the military exchanges between the two countries (*see* Table 5:1 below).

Table 5: 1, Sino- Sri Lankan Military Exchanges, 1975-1995

Year	Exchange
1975	Sri Lankan army commander to PRC
1976	Sri Lankan navy commander to PRC
1977	PLA friendship delegation to Sri Lanka
1978	None
1980	None
1981	Sri Lankan army commander to PRC
1982	Sri Lankan air force commander to PRC
1983	Sri Lankan navy commander to PRC
1984	PLA air force commander to Sri Lanka
1985	Sri Lankan armed forces commander to PRC, PLA squadron to SL
1986-95	None

Source: Foreign Broadcast Information (FBIS), *Daily Report China* (PRC) indexes published by News Bank, cited in Garver (2001:307).

China Opposes Tamil Struggle

When India had to use Tamil militants to counter Jayewardene government, China outrightly condemned Tamil militants' activism and Sri Lanka expressed its gratefulness to it. Parliamentarian M.H. Mohamed told; "Really the country is extremely grateful to

China, especially the President of China for making a very clear statement, and having a frank dialogue...” (*Parliamentary Debates*, May 24, 1984, col. 158). Sri Lanka placed special recognition for China’s favourable response to its issue of terrorism whereas India’s sympathy was with the Tamil militancy. Throughout the post-1983 history of ethnic violence, China would assure Sri Lanka of its support as discussed in the next chapter of the study. The next section studies Sri Lanka’s relations with several other powers, Middle East, Israel etc.

5.3. Relations with Middle-East and Israel

The post-1983 period was important in terms of Sri Lankan relations with the Middle East because its traditional relationship pattern was quite disturbed during this period, because Israel figured much in the foreign relations this period. This section, therefore, studies Sri Lanka’s links Middle East with special reference to Israel. The conditions of local war seemed to have forced the Government of Sri Lanka to change its traditional position on the Middle-East after 1983. Sri Lanka had a Minister of Foreign Affairs in A.C.S. Hameed, a Muslim by religion, and some even viewed this appointment as a tactic of President Jayewardene to attract the attention of the Middle-East region for economic and employment opportunities.

However, the issue of Palestine and Israel, a region of relentless conflict, made it tough for the ruling party of Sri Lanka when it came to declare its position on them. Sri Lanka’s liaisons with Israel for military and intelligence assistance was no secret during this period though the Government always attempted to arrange such services with much caution and secrecy. India looked suspiciously at the connection of Sri Lanka with the Mossad and Israel military, and Indian media often was highly vocal on this. This section details some of the incidents which visualise the nature of Sri Lanka’s relations with the Middle-East region and tries to examine whether it entailed any strategic dimension for the relations with them, particularly with Israel.

Position on Israel’s attacks on Lebanon

At the 39th UNGA Session Sri Lanka expressed its concerns over the situation of Lebanon and called for ‘the sovereignty, independence, unity and territorial integrity’ of

that country. Yet, Sri Lanka carefully avoided mentioning anything against Israel which triggered the violence (Hameed 1988: 138). Meanwhile, locally, Sri Lanka Committee of Solidarity with Palestine had passed a resolution in support of the victims of the attack by Israel on Lebanon. Furthermore, this Committee wanted the Government of Sri Lanka to demand from the Israel Government compensations for the families of the victims. The resolution read as follows:

This session, while expressing its deepest sympathies to the Sri Lankan families whose members have lost their lives at the hands of the Israel invaders in Lebanon, calls upon the Government to give maximum compensation to the families of the deceased and injured (*Ibid*, vol. 23.1, p.159, 21 May 1983, as quoted in Parliament by Sarath Muttetuwegama).

Though, the domestic constituency was vehemently anti-Israel, the UNP regime aligned with the USA was not in a position to oppose Israel's aggression on Lebanon.

Mossad and Israel's Presence

'The presence of the Israelis has become so brazen in Sri Lanka' and mainly, the Israelis were here to "advise the forces" (*Ibid*, April 26 1985, col. 1674). Moreover, the government had received assistance from the Mossad of Israel, an intelligence organization of Israel (*Ibid*). The allegations of the opposition circles against Israel's presence in the country are in abundance during this period, but the government had continued its relations with Israel despite local and regional criticism from India (*see The Tamil International*, 1 August 1984) for it wanted the military and intelligence support from Israel to fight the LTTE.

Sri Lanka excessively used Israel's counter insurgency methods learnt from Mossad against the LTTE in the 1980s (*see Hoole 2001*). On May 08, 1984, *The Island* in a front page news item said that Sri Lanka was seeking assistance from Israel to suppress terrorism. The opposition members questioned whether the Government was issuing an official statement on the news published in the national newspaper. Also the opposition wanted to know if the Government had already sought help from Britain's SAS organization to train the army to fight terrorists.

As per the news item in *The Island*, the Government of Sri Lanka was concerned about receiving assistance from the MOSSAD, an intelligence agency, enabling it to suppress terrorism in the Northern Sri Lanka. Also the government wanted to receive the support of trainers and advisors for training the Army of Sri Lanka. The obstacle to enter into direct relations was that the MOSSAD was a government agency of Israel. Diplomatic relations with Israel had been suspended since 1970 and the UNP government was in a dilemma to resume diplomatic ties with that country. Some sections of the government had pointed out that if the relations with Israel were to be reopened, it would affect the relations with the Arab world, especially with Palestine. Yet, by now, Egypt had resumed relations with Israel which was an encouraging factor for Sri Lanka (*Parliamentary Debates*, May 1984, cols. 1523-4).

Also the government of Sri Lanka was advised by the security advisors to receive assistance from other terrorist organizations to eliminate the terrorist activity in the North (*The Island*, May 08, 1984). Accordingly, a UK based private organization called S.O.S had started a program with the Government to train the Army.

It is difficult to verify the truth behind newspaper reports on Sri Lanka's move to get Israel assistance for fighting terrorism locally. However, India also was concerned about this move as revealed in a statement made by Kurshid Alam in Lokh Sabha. Tamil Nadu media had given wider publicity for this news (*see The Tamil International*, 1 August 1984).

Meanwhile, it was reported by *Reuter* that Secretary of the Ministry of State, Douglas Liyanage, had visited Israel in August 1984 and met with the Director General of Foreign Affairs in Israel, David Kimche. This visit was kept a secret but when the matter was raised in Parliament, the government maintained that it was a private visit. Yet, *The Jerusalem Post* had published an interview given by him to the diplomatic correspondent of the newspaper, and this was confirmed to *The Island* newspaper by the editor at the latter's request (*Parliamentary Debates* 30:1, Sep 04 1984, cols. 26-27). According to this interview, Douglas Liyanage had stated that 'the Israeli Embassy must be given the equal status with the embassies of the Arab countries' (*Ibid*, col. 27). The matter was so

controversial and the UNP did not want to answer the question raised by the leader of opposition in connection of this incident.

Meanwhile, Minister of National Security, Lalith Athulath Mudali, replied back to the opposition for its continuous allegations against the government for its alleged relations with Israel (*Ibid*, 30:5, Sep 21, 1984, col. 329). He also said that the Chief Minister of Tamil Nadu, M.G. Ramachandran, had accused of Sri Lanka for maintaining a base of MOSSAD in the island of Kachchathivu in the North of Sri Lanka (*Ibid*, 30:5, Sep 21, 1984, col. 329). He denied all these allegations on relations with Israel.

However, later on the government accepted that it had relations with Israel, though it was reluctant to do so and had even denied it earlier. The Deputy Foreign Minister Tyronne Fernando accepted in Parliament on 21 June 1984 that Sri Lanka had to take assistance from Israelis for combating terrorism.

The Government – and we have said earlier- has considered it necessary to get assistance from the Israelis to combat terrorism in this country. That is entirely a matter for us to decide. Based on that decision, it has become necessary, not to resume diplomatic relations, but to have an Israeli Interests Section in the American Embassy (*Ibid*, 29:7, June 21, 1984, col. 699).

The Government maintained that the Arab states and PLO had accepted that Israeli Interests Section was a domestic matter to be decided by Sri Lanka. Therefore, it was pointed out that the relations with the Arab world would not be affected due to this new association with Israel. Also the Government reiterated that its policy of non-alignment would not change at any instance and relations with Israel were not done at the diplomatic level (*Ibid*, col. 700).

Nevertheless, it could be established beyond doubt with these evidences that the UNP was having secret diplomacy with Israel Government in the 1980s and it sought to receive assistance for its counter terrorism strategy. It is clear that Sri Lanka quite disregard of its close relations with the Arab World was turning to Israel for military assistance. On 21 November 1986, Israeli President Chaim Herzog visited Sri Lanka (*The Sun*, 21st January 1986). He had a luncheon meeting with the President Jayewardene; the two leaders had ‘discussed about matters of bilateral interest’. Prior to the visit of Israeli

President, Sri Lanka's Foreign Minister had met his Israeli counterpart, Foreign Minister Yitzhak Shamir, who later turned the Prime Minister. Also Sri Lanka's President had met with Israel Foreign Minister Shimon Peres in Paris. Israel had an arrangement, an Interest Section, with the US embassy in Colombo to handle its diplomatic relations with Sri Lanka. The opposition charged that "The decision to bring the Israeli's here becomes important not only on the context of antagonizing our Arab friends, it becomes also a much bigger problem" (*Parliamentary Debates*, 44:5, Nov 28, 1986, col. 577).

However, according to several studies, Sri Lanka had good military ties with Israel and Palestine had opposed such links and helped the LTTE. On the other hand, Israel is said to have played a dual role by assisting both the LTTE and the Sri Lankan government.

Due to Israel's military assistance to Sri Lanka, Palestinians reportedly began aiding the Tamils in the 1980s. It is also believed that Israel's Mossad recruited agents among Sri Lanka's large contingent of foreign workers in the Persian Gulf Arab states. There were also reports that Israelis were also providing weapons and training to Tamil guerrillas in order to maintain a "market" for Israeli arms suppliers in the civil war-wracked island nation (Madsen 2009).²³⁹

There was clear evidence of the existence of Israel Sri Lanka military ties; yet, the fear of accepting that openly displays some stigma attached to Israel's behaviour toward the Palestine and Sri Lanka's declared support for the cause of Palestinians. With the escalation of LTTE violence however Sri Lanka had to depend on military expertise of Israel.

Mainly, Israel's expertise of counter insurgency was what Sri Lanka wanted to obtain from that country. Somasundaram (2014:60) rightly mentions that 'Sri Lanka's counter insurgency strategy was determined by Israel in the 1980s'. Mossad's military advice, training on Kafir jets and Dvora boats, and the creation of a new unit in Police called STF (Special Task Force) with the personal involvement of J.R. Jayewardene's son, Ravi Jayewardene with Israel has helped the Sri Lankan military during this period to counter the LTTE's insurgency (2014: 60). Sri Lanka's 'intense use of firepower' in its counter

²³⁹Wayne Madsen 'Gaza II' unfolding in the East, Source: Online Journal, May 8, 2009, URL; <https://adamite.wordpress.com/2009/06/05/sri-lanka-israels-dirty-secrets/>, accessed 05/10/2015

insurgency (Rajagopalan 2009)²⁴⁰ thus has its Israeli roots which India was opposing vehemently as early as 1984. Therefore, from all perspectives, Sri Lanka's relations with Israel have worked as a counter-balancing strategy vis a vis India's assistance to the Tamil militants who waged an intense struggle against the weak military of Sri Lanka during the 1980s.

India's response to Israel relations with Sri Lanka

India protested the Chaim Herzog's visit to Sri Lanka; High Commissioner Jyotindra Dixit had said the *Reuters* that 'India was concerned about the visit and have expressed its unhappiness to President Junius Jayewardene (*Island*, 24 November 1986). At a time when Sri Lanka was subjected to increasing Indian concerns and mediations on the ethnic issue, Sri Lanka's diplomatic relations with Israel was not well comprehended in India. Sri Lanka received Israel's assistance in the counter-terrorism and counter-insurgency issues and this was no secret for India. According to Indian critics, the USA was behind arrangements of Israel's military assistance to Sri Lanka (Balaji 2010: 115). Dixit (1998) mentions in *Assignment Colombo* that Sri Lanka had moved in the direction of US-Israeli axis in its foreign security relations. It is clear somehow that Sri Lanka's internal conflict had become a source for external powers to justify their incursions into the Indian Ocean region. Sri Lanka strategically was moving away from "India doctrine" or "Indira doctrine" and had looked for external powers to assist it in the war effort. On the other hand, India was following a dual strategy of using terrorist outfits and coercive diplomacy to get Sri Lanka to think of the ethnic conflict. The Indian strategy was very clear after 1985 when Rajiv Gandhi came into power after the death of Indira Gandhi.

Support for Palestine in the UN and other Forums

At the UNGA Sessions, Sri Lanka often took the side of Palestine and other Arab nations, which was not much different even under the UNP government during the post-1983

²⁴⁰ See Rajesh Rajagopalan (2009) "Insurgency and counterinsurgency". URL: http://www.india-seminar.com/2009/599/599_rajesh_rajagopalan.htm, accessed 05/10/2015

period. In 1984, at the 39th Session of the UNGA, Foreign Minister of Sri Lanka accepted that;

Palestine was the core issue of Middle-East question and no just or viable settlement is possible without the withdrawal of Israel from all occupied Arab and Palestinian territories and the restoration of the inalienable national rights of the Palestinian people (Hameed 1988: 138).

Sri Lanka also recognised PLO as ‘the sole legitimate representative of the Palestinian people. At the 40th Session of the UNGA in 1985, Sri Lanka maintained the same stance regarding the Middle East issue and expressed its support for the Arab Peace Plan adopted at the Twelfth Arab Summit Conference held in 1982 (Hameed 1988: 164). Similar views expressed by Sri Lanka on Middle East issue could be found even at the 41st Session of the UNGA. At all instances in the meetings of UNGA Sri Lanka was careful not to mention anything regarding the Israel. It appeared then that it was because of the local conflict, that for purely pragmatist reasons, Sri Lanka wanted to have relations with Israel at that point of time.

In the pre-1983 period Sri Lanka had sided with Palestine and that stance records a qualitative change in the post-1983 period. At the Extraordinary Ministerial Meeting of the NAM in 1982, Sri Lanka’s Foreign Minister said that “In Israel’s invasion of Lebanon lie many perilous implications which endanger the very foundations of stable international order” (Hameed 1988: 318). Further, Foreign Minister had opined that “The Israeli drive into Lebanon is a drive against the Palestinians. The invasion of Lebanon is a desperate act by an Israeli regime alarmed at the growing international sympathy for the objectives of the PLO” (Hameed 1988:319). Yet, after 1983 Sri Lanka has remained cautious enough not to refer to the “aggressive approach” of Israel and instead spoke only of the plight of the Palestinians while it dealt with Israel for its own benefit. Therefore, the words of sympathy towards the Palestinians were not matched with similar deeds after 1983 as Sri Lanka was confronting the LTTE fighting for a separate state. Relations with the Middle East region were important for Sri Lanka in many counts. Sri Lanka depended on petroleum oil from OPEC region, and it was a major export destinations and an employment generation centre for domestic unskilled labour.

Yet, Sri Lanka's secret diplomacy with Israel was all due to national security issues. The threat posed to its territorial integrity by the Tamil militancy backed by India in the early 1980s had compelled Sri Lanka to create a strategic alliance with Israel and USA. The West, China and Israel, therefore, had mainly stood to safeguard Sri Lanka's national security, sovereignty and territorial integrity in the 1980s.

Particularly, Sri Lanka's Israel connection was arranged through secret diplomacy with the US and Israel representatives. Sri Lanka against India's will attempted to wipe out terrorism through a military strategy. Therefore, it trusted that Israel's expertise in that field would have helped it to defeat the Tamil militants militarily. Finally, the Israeli connection caused for hostile India-Lanka relations, while locally the terrorism became the major challenge for the small state. The next section looks at another dimension of Sri Lanka's relations aimed creating resistance towards India in particular and assuring its own survival in general.

5:4: Economic Defence

Proposals by President Jayewardene for Economic Crisis

Jayewardene regime mostly coloured Sri Lanka's national interest with economics. Its external strategy was driven by the thirst for economic development spurred by FDI and foreign aid that the third world alliances, particularly NAM, could not afford to provide it. In this context, Sri Lanka seemed to have viewed India's leadership in NAM as an obstacle for its close relations with the West which was generous with economic aid and providing trade opportunities. Therefore, Jayewardene proposed at the NAM in New Delhi that Mrs Gandhi should go and find financial aid for poor nations of the NAM. Jayewardene encountered resistance locally for his proposal. Lakshman Jayakody, an MP, told that Sri Lanka should have been 'little more magnanimous' than suggesting such a thing to India (*Parliamentary Debates* 23.1, 21 March 1983, p.161).

Foreign Minister replied to the allegations that told President Jayewardene had proposed something "stupid" for the financial crisis facing the Third World nations at the NAM in New Delhi. According to him, President Jayewardene wanted "a group of non-aligned Heads of State or Governments ...meet a similar line of leadership from the key,

developed countries, the like-minded countries and the Soviet Union to discuss the current financial crisis...” (*Ibid*, col. 167.).²⁴¹ Further, President Jayewardene did not propose that the members of NAM should meet only the western or “like-minded nations”, but he must have known that it was the West which could only offer aid during this period when the USSR was crumbling.

Further, Sri Lanka’s proposal displays how it had wanted to transcend the NAM’s policy framework of being neutral and resistant to imperialism and colonialism. In fact after 1977 Sri Lanka’s economic survival had been dependent on FDI from the key developed countries, and it wanted the other nations to follow its path of open economy. That could be the major motivation behind President Jayewardene’s proposal to the NAM. Foreign Minister Hameed further read out what the communiqué of the NAM which spelt the proposal of Jayewardene as follows.

The President of Sri Lanka proposed that the Prime Minister of India, Chairman of the Movement of Non-Aligned countries should take the initiative in mobilizing a representative group of Heads of State or government of a few countries to talk to the Heads of Government of major countries to act swiftly in the face of the immediate measures in areas of critical importance to developing countries (*Ibid*, col.170).²⁴²

Obviously, the NAM was not an answer to the economic woes of the Third World. Yet, it had a political goal which was losing ground in the 1980s. Jayewardene’s remarks came in such a context, but it was annoying India. Because, Jayewardene’s proposal differed from the strategic thinking of the NAM promoted under India’s Chairmanship focusing on the regional security and sovereignty of small nations.

Nevertheless, Sri Lanka’s proposal was accepted by the Heads of the Governments of NAM. The communiqué says; “The Heads of the State or Government welcomed these proposals and requested the Chairman of the Non-Aligned Movement to take such action as deemed appropriately” (*Ibid*, col. 170). The proposal by Sri Lankan President was somehow not seen as a trap, but as an opportunity for the NAM. Yet, such thinking on the

²⁴¹From the speech of A.C.S.Hameed.

²⁴²*Ibid*.

part of Sri Lankan President could be motivated due to his own economic strategy locally, and his dissatisfaction with India's leadership in Third World affairs.

Dependant on Foreign Aid

The UNP regime was following an economic policy which was not in line with its nonalignment policy. Throughout the UNP regime of Jayewardene, it is observed that the major interest was to make the economic policy independent of its commitments to foreign political policy. The two major parties or coalitions that ruled the country succeeding one after the other were used to accuse each other of bowing down to the foreign sources for economic aid. J.R. Jayewardene accepted in a press conference held in New Delhi during the 7th NAM that his government had accepted the conditions of the IMF in order to receive foreign aid. As the members of the opposition argued the UNP regime had openly displayed its allegiance to the West in order to receive foreign aid. They alleged that at a time when the superpower rivalry was still on Sri Lanka risked much by going after the West.

Meanwhile, Reagan government's advisors brought the thesis that US aid must go to countries which support the U.S. policy at the international level, in international forum etc. (Patrick 1983).²⁴³ Particularly, Mrs Kirkpatrick had recommended to the Foreign Affairs Senate Committee that "foreign aid should be given by the United States only to countries that openly support them". Small states like Sri Lanka which had upheld nonalignment began to be constrained at this point in 1980s with the new policy of the great power. Sri Lanka's loyalty to the U.S. and its non-aligned policy seriously contradicted with each other according to the opposition parties. As per the critics of the government policy, Sri Lanka "was going knocking on at the doors of the international Monetary Fund,...(and) Western powers asking for more aid..." (*Parliamentary*

²⁴³ See, Rober Shepard, (March 7, 1983). Kirkpatrick Would Link Aid To Support In U.N. URL: <http://www.upi.com/Archives/1983/03/07/Kirkpatrick-would-link-aid-to-support-in-UN/2653415861200/> accessed October 05, 2015.

*Debates*22:12, March 18 1983, col. 1670).²⁴⁴ Yet, the changing dynamics of international structure at this point of time was not read correctly by any of those critics.

Nevertheless, the government responded in the negative to all these allegations of the country being enslaved to the West and international financial organizations for aids. The internal debate of foreign aid had turned ugly when the government labelled the Tamil MPs who questioned the foreign policy as those who supported the LTTE and its claim for Ealam. The Deputy Foreign Minister stated the following in reply to MP V. Dharmalingam, a fierce critic of the UNP regime and its policy on Tamil militants and foreign aid:

...we have no intention of selling this country to anybody. We are not the puppets of either America or the Soviet Union. ...There is no hot line from the White House controlling on all our actions. We are truly non-aligned (*Ibid*, 22:12, March 18 1983, 1672).

While denying that the country was following the diktats of the West, the Deputy Foreign Minister stated that the government could use the 'foreigners' to its advantage.

We are not afraid of dealing with foreigners. ...we are not afraid of dealing with foreigners to our advantage. We will deal with all foreigners so long as it is for our advantage (*Ibid*, col. 1672).

The UNP also drew from philosophy to justify its foreign policy which sought to open up relations with the world, particularly, the West. It seemed that the NAM was choking the UNP's desire to bandwagon with the West; in turn it wanted to be independent of normative framework.

We do not want to live in a house all closed up, doors and windows all closed up. We want all this - winds of all culture and modern technology- to blow about our house, but we will be on our own feet. We will take what is best and reject what is bad (*Ibid*, col. 1673).

Sri Lanka made considerable material gains during the early 1980s with its relations with the West. The open economic policy could attract more FDI than by any other country in the region during this period. Deputy Foreign Minister summarized in the following

²⁴⁴ From the speech of V. Dharmalingam (MP).

words what it had gained from 1977 up to the mid 1983 through its new economic and foreign policy.

We have opened out the country to foreign investment, re-introduced English, acquired rights to the sea-bed, obtained foreign aid...Rs. 9000 million worth of foreign aid. Now, out of this 9,000 million of foreign aid, 2,500 million are sheer grants. We do not have to pay back (*Ibid*, col. 1673).

Sri Lanka's rapid progress in attracting foreign aid was often cited as a success case. Also the acquisition of a large sea bed area was projected as a victory of the regime's foreign policy. The reception of foreign aid was very low and remained at Rs.1,000 million in 1975 and the rise of this amount up to Rs.9,000 million was due to the lifting of investment barriers through open market economy. Sri Lanka could benefit from the international market forces, and its new world view in 1980s had a diametrical change from what it was during the 1970s. Abeyratne and Rodrigo (2000)²⁴⁵ make the following observations on the economic growth after 1977:

Following policy reforms in 1977 which aimed at achieving export promotion in a liberalized trade regime, there was a moderate upsurge in five-year average growth rates to the level of about 5%, except during the latter half of the 1980s. The growth performance in the liberalized trade regime was greater than that in the previous restrictive trade regime. Nevertheless, it appeared that the initial upsurge in the annual rates of growth in the late 1970s slowed down in the 1980s (p.10).

The escalation of the conflict probably led to slow down of the economic progress after 1983 and it made Sri Lanka to depend much on foreign aid for economic survival

Aid Consortium Meeting

In 1986 Sri Lanka's Aid Consortium Meeting held in Paris pledged a sum of (Sri Lankan) Rs. 19,650 (19.65 billion or 703 million dollars). As Minister of Finance and Planning stated it was a significant achievement for Sri Lanka in that context of "civil war, violence and bloodshed in the country" and also "in the face of the tremendous adverse

²⁴⁵"Sri Lanka" by Sirimal Abeyratne and Chandra Rodrigo. This is a chapter based on authors' work, *Explaining Growth Performance in Sri Lanka: Fifty Years in Retrospect 1950-2000*, South Asian Network of Economic Research Institutes, (SANEI), New Delhi, 2000.[Online] URL: www.gdn.int/html/GDN_funded_papers.php?mode=download&file...c71.pdf accessed 29/7/2016.

publicity and international lobbying to cut out all aid to Sri Lanka”. The amount of aid received in 1986 marked an increase of 23% in real terms from that of the year 1985 (*Parliamentary Debates*, 41:11, July 24, 1986, col. 910).

Much of the foreign financial aid obtained by Sri Lanka constituted of concessionary loans which were to be paid long term with zero or small interest. Many countries in the West had provided grants instead of loans for Sri Lanka; Sweden, Norway, Denmark, Finland, the Netherlands, Australia, and the UNDP. Canada provided grants, as well as interest free loans. Some countries -- Japan, the Federal Republic of Germany, the UK, and EEC -- provided both grants and loans. The other sources of external financing included IDA and ADB which provided ‘extremely small service charge and with no interests’ according to the Minister of Finance and Planning (*Ibid*, col. 912).

Economic Achievements

The government insisted that despite the cost of war, Sri Lanka had done well in the economic sphere. Moreover, the West came to aid Sri Lanka because of its open economic policy followed since 1977. The Minister of Finance and Planning stated that the entire international community had recognized Sri Lanka’s achievements and the donor community had accepted that ‘without hesitation’, particularly, in a time of domestic turmoil and international economic crisis;

We have done so, in the face of the greatest odds, in a situation of civil war, insurgency, violence, bloodshed, destruction and political troubles, a situation further compounded by drastic declines in the prices of our main export commodities like tea, rubber, and coconut and further still compounded by a drastic decline in tourism, foreign investment and even in foreign employment (*Ibid*, col.913).

Sri Lanka attempted to highlight the fact that it was not isolated among the international community despite all allegations of human rights violations and the pressure from the regional power to enter into an agreement with the Tamil militants. It is clear that the West had sympathies with Sri Lanka, because the small state had embarked on the path of capitalist open economy abiding by the market norms. The economic policy of Sri Lanka itself was altered as a part of its survival strategy during the twilight era of f bi-polar rivalry. It seemed that the UNP stressed that the Tamil separatism was a Marxist

influenced project and this element Communism was what it could sell to the West to win its sympathy, whereas in reality the LTTE was suppressing all the leftist elements in the North and becoming the sole representative of the Tamil struggle after 1987.

...the international community agreed that our main economic fundamentals still remain sound, despite all the destruction, bloodshed and violence that has taken place in the last three years. The whole world accepts this fact. This is why we got so much of aid (*Ibid*, col. 913).

The term 'international community' as such could be best defined as the Western allies of Sri Lanka. Sri Lanka also talked about strengthening economic linkages within the Third World as well. Foreign Minister Hameed endorsed the idea of a Third World Bank or a Bank of the South as a solution to 'the disturbances emanating from economic policy failures in the Developed World' (Hameed 1988: 135). This idea of a Third World Bank was being mooted within the G77 during this period. On the other hand Sri Lanka pointed out that the Breton Woods institutions – IMF, WB- needed some reforms that allow a minimum facility for providing funds to rescue countries from 'external shocks due to the collapse of commodity prices'. Perhaps Sri Lanka as an economy specialised in primary exports products certainly could benefit if such a mechanism was in place.

The state vulnerability faced by Sri Lanka was two-fold during the 1980s. First, it had a military conflict indirectly assisted by India, at the beginning of it, and then its economy had to be defended in order to prevent a total collapse of the state. Therefore through liberalizing Sri Lanka received a greater assurance that it would permanently be a member of the capitalist bloc during bi-polarity and capitalist economic cooperation would in turn save the economy. Sri Lanka's resistance, at least for a few years, against India was possible because its economy was taken care of the West and the allies of it. The next section is concerned with regional cooperation and its effects on Sri Lanka to advance its position vis a vis India. SAARC and other associations are touched in this section to explore the effectiveness of the means of regionalism for the small state.

5.5. Sri Lanka in Regional and International Organizations

The 1980s witnessed the rise of regional organizations and multilateral agencies in the developing world. South Asia initiated forming the first regional body called SARC²⁴⁶ during mid-eighties and Sri Lanka was an enthusiastic follower in this group of economically weak nations. Regional groupings could arise when one or a few states in a particular region attempts to dominate the small states in their political and economic autonomy and independence. According to balance of power theory “states seek sub-regional groupings to improve their balance of power vis-à-vis a regionally dominant or threatening state” (Dash 2008: 111). From such a perspective, India, which was the largest and most powerful power in the region, was collectively circumscribed by the small states.

Apart from its interests in the SARC or (SAARC) Sri Lanka from the beginning had desired to join a regional group and it was ASEAN which was not geographically within the sub-region that Sri Lanka first sought membership but failed in its attempt.

Desire to Follow the Path of ASEAN

The UNP had desired to join the ASEAN from the beginning of its origin. President J.R. Jayewardene had a favourable view to apply for the membership of this regional alliance for economic development. Nevertheless, there was a huge opposition to the decision of the UNP regime for attempting to be a part of this alliance having an agreement on security cooperation. Some believed that countries like Singapore which were the members of ASEAN wanted to dismantle the NAM and Sri Lanka was also following the same path. The opposition party members, especially Tamil MPs, carried this opinion strongly.

The whole impression one got was that Sri Lanka was moving around closely with the ASEAN Group of countries in many of the proposals that they made in respect of the Non-Aligned Movement (*Parliamentary Debates* 23.1, 21 March 1983, p. 158).²⁴⁷

²⁴⁶South Asian Regional Corporation later turned to South Asian Association for Regional Corporation

²⁴⁷ Quoted from MP V. Dharmalingam’s speech

The opposition members demanded that Sri Lanka should withdraw its application for the membership of ASEAN. Sarath Muttettuwagama said that considering the way Singapore and Malaysia had behaved and Indonesia was treated, Sri Lanka should get away from ASEAN's path. Sri Lanka tried in 1981 to secure observer status of ASEAN, but failed. The failure of joining ASEAN was referred to the 'failure of Jayewardene's diplomacy' (De Silva 1995: 66). Next, I will analyse how the SAARC could provide a forum for Sri Lanka to articulate its issues after 1985.

SAARC and Mutual Respect

President Jayewardene spoke about the purpose of SARC and what Sri Lanka expected from the regional body;

The concept of co-operation in South Asia envisages a widening of exchanges and contacts especially in economic and commercial fields. Indeed it implies a shared commitment to the principles of non-interference in each other's affairs and mutual respect for each other's sovereignty. These principles have given us the strength to transcend bilateral difference in our common search to achieve a regional identity. This same identity should in turn enrich these principles and translate them into vigorous and continuous action for the mutual benefit of the underprivileged millions of our region (*Parliamentary Debates*, May 09 1985, col. 286).²⁴⁸

The vision of the Jayewardene government was to achieve economic development, benefiting from the open market system; and it desired greater freedom enabling its dealings with the rest of the world. The President and the Foreign Minister reminded them of the necessity for 'non-interference and mutual respect for sovereignty'. The SAARC, as the regional association, was expected to underscore this philosophy and carve out the necessary structural leverage for rapid interaction within and outside the region, but the progress of the organization often depended on the regional political stability and security of the member states. For instance India and Pakistan were embroiled in protracted territorial conflict; and Sri Lanka had an ethnic conflict which emerged during this period as an internationalized problem. India, mainly, and several other extra-regional powers used this internal conflict of Sri Lanka as an opportunity to

²⁴⁸ President Jayewardene's speech as cited in Parliament by Tyronne Fernando.

intervene and interfere in local affairs (De Silva and May 1991; Kodikara 1993 and 1991).

Sri Lanka, however, was desirous of the future progress of SAARC. At the First Meeting of the Foreign Ministers of SARC held in New Delhi on 2 August 1983, Foreign Minister Hameed expressed his futuristic idea of SARC. He said that “We stand poised to launch ourselves upon a journey of regional interaction based on the promise of future rather than the legacy of the past” (Hameed 1988: 382). The Second Meeting of the Foreign Ministers of SARC was held from 10 to 11 July 1984 in Male. Sri Lanka’s Foreign Minister appraising the progress of the still young regional grouping expressed his views on development of trade relations in the region. He stated that in the context the region was linked with the outside world through trade and financial flows and facing ‘mounting debt, defensive protectionist measures, sluggish economic growth’ etc. Therefore, it was very important for SARC to develop its ‘economic muscle in South Asia through regional co-operation and deliberative cultivation of collective South Asian self-reliance’ (Hameed 1988: 388-9). He argued that the regional economic growth was linked with its political stability, and, therefore, emphasised that regional political stability depended on the foundation of ‘political heterogeneity and foreign policy freedom of manoeuvre which we all value’. It could be understood that while Sri Lanka wanted the regional body to facilitate the economic growth and co-operation, and but not to obstruct the freedom of the states to follow their own direction in the international system guided by their national interests.

Combating Terrorism within SAARC

In the context of escalating ethnic violence and India’s relentless interference in the latter part of the 1980s, Sri Lanka strongly supported the proposal for the elimination of terrorism in the SAARC region; which was an area of cooperation. The SAARC members had identified the issue and had proposed to setting up a study group to examine the problem of terrorism at the Dhaka Summit. Commenting on the Study Group, at the 1986 Second Session of the Council of Ministers of SAARC held in Bangalore, Foreign Minister Hameed stated that all members needed to condemn

unequivocally ‘all kinds of acts, methods and practices of terrorism as criminal’ (Hameed 1988: 410).

Sri Lanka had suggested that the SAARC member states should prevent the use of ‘their territories for terrorist activities against another member state’. Furthermore, Sri Lanka wanted the SAARC members to cooperate ‘with regard to exchange of intelligence relating to terrorism and exchange of expertise and training particularly in the field of anti-terrorist techniques’ (Hameed 1988: 410). These proposals were accepted at the meeting of Council of Ministers in Dhaka in August 1986. Foreign Minister Hameed suggested that the recommendations made by the Experts Group needed to be endorsed by member state as well.

IOZP and IOMAC

The Indian Ocean Marine Affairs Co-operation (IOMAC) Conference initiated by President Jayewardene was quite different from the IOZP initiated by Mrs Bandaranaike in the 1960s. Indian Ocean Marine Affairs Co-operation (IOMAC) Conference held its Consultative Meeting in Colombo on 18th July 1985 (Jayewardene 2001: 105-130).²⁴⁹ The inaugural address of the Conference was delivered by Sri Lanka’s Foreign Minister A.C.S. Hameed. He stated that IOMAC called for ‘co-operative’ action. As pointed out by Hameed, the Indian Ocean region wanted to ‘take practical steps’ towards acquiring access to scientific knowledge concerning the Indian Ocean and its resources. Second, that goal required an institutional arrangement and it was IOMAC that was introduced to promote and maintain co-operation. Third, the conservation of the Indian Ocean resources was another objective. Sri Lankan Foreign Minister pointed out that to achieve these goals ‘it was essential that the country co-operate with developed countries outside the region’. He wanted every state to extend ‘unreserved’ support in this effort. The relative power of the states did not matter in this effort and all countries ‘large and small, irrespective of size, population and level of development’ needed to co-operate.

²⁴⁹ See for more details: *The Indian Ocean Marine Affairs Cooperation (IOMAC)* (Hiran W. Jayewardene); URL: <http://archive.unu.edu/unupress/unupbooks/uu15oe/uu15oe0n.htm>, accessed 08 October 2015

In 1987 the government organized an international Conference called Indian Ocean Marine and Aquatic Resource Conference (IOMARC) (Jayewardene 2001). The opposition argued that holding of this conference would affect the IOZP Conference. Lakshman Jayakody (MP) argued that the “IOZP...is going to be jettisoned by the new proposal and discussions”. Since 1982 the government had to postpone the IOZP Conference, and after, it had brought in the new Conference which would certainly help “a military presence also continue in the Indian Ocean” and intensify the problem of arms race there (*Parliamentary Debates* 45: 5, January 22, 1987, cols. 238-9).

The initiative of the government to hold the IOMARC conference was not positively taken by India, so it did not agree with the proposal. Following India, Mauritius, Saudi Arabia, Singapore and Indonesia did not participate in the conference. At a time when IOZP should be given priority, Sri Lanka was taking other initiatives just to bypass it, and as the opposition charged the government wanted to have the ‘presence of foreign mercenaries in the Indian Ocean from USA and its allies like Chile’. At this time Chile was under Pinochet and government was offering full diplomatic status to that country (*Ibid*, col. 239).

The UNP was reluctant to promote IOPZ, but it attempted to initiate another project, IOMAC, which it thought would attract the developed nations, particularly the West, to the Indian Ocean. Regionalism as a small state strategy features very often in international politics. In South Asia its effectiveness is yet to be realized, though small states have preferred SAARC and other initiatives. More than countering India, regional IOs have helped Sri Lanka to take its local issues to the international realm and then generalize them as common issue. On the question of terrorism, Sri Lanka wanted SAARC to stand against strongly, but India’s cooperation mattered a lot during Jayewardene era.

Sri Lanka - UN at Time of War

It was rather essential for Sri Lanka to secure the goodwill and support of the UN agencies while it had to fight a bloody war in its domestic sphere of politics. Sri Lanka used the UNGA to air its anti-terrorist propaganda and attract sympathy from the extra-

regional powers as India was fully supportive of the Tamil militant's struggle for equal rights and power sharing within Sri Lanka's border.

Addressing the 39th Session of the UNGA on 24th September 1984, Foreign Minister Hameed stated that Sri Lanka "believed the United Nations should take effective steps to establish machinery to implement agreed measures against international terrorism" (Hameed 1988: 134). This is indeed an attention grabbing statement by the Sri Lankan Minister, because Sri Lanka had wanted to win the international community in order to fight the war against the LTTE in its domestic front. Sri Lankan leadership always attempted to articulate the problem of ethnic strife as a terrorist problem²⁵⁰, therefore, required crushing, which was opposed by India. In this same speech the FM explained the state point of view on the Tamil militants;

...motley groups of terrorists who seek to force, through violence, and terror, a separate State based on racist grounds, have made the application of the democratic process much more difficult. These terrorists who constitute only a small minority within Tamil community, direct their violent campaign not only against the majority community and the security forces, but also against innocent civilian members of the Tamil community...(Hameed 1988: 140).

Moreover, Foreign Minister criticized at the UNGA that foreign countries were supporting the activities of the Tamil militants. He never pointed the finger at India openly, but it was India, during this period, which had supported the bases and training of the LTTE as discussed elsewhere in this chapter.

The terrorist groups find refuge, training, sympathy and even encouragement in foreign territory, posing a rising threat of destabilization in the country. Terrorism has its sordid international ramifications, International co-operation is therefore vital for dealing with and eliminating international terrorism (Hameed 1988: 140).

At several instances in the UNGA annual meetings, Foreign Minister spoke on the conflict at home. At the 40th UNGA Conference in 1985, he expressed the same view that

²⁵⁰Contrary to this view AnandaAbeysekera in his book *Colors of the Robe* argues that Jayewardene did not want to fight a war, because he thought it would contradict with Buddhist ideals of non-violence. He points out it was the *Sangha*, Buddhist monks, who pressurized him to go for a military solution to the problem of "terrorism" (see, Abeysekera2002: 214).

was expressed at the 39th Conference. In all these occasions, terrorism was defined as ‘an international phenomena’ and the international community was told that Sri Lanka was dealing the issue with ‘a political settlement’; though in reality the political settlement was not really taking off at that stage, despite negotiations which used to collapse without consensus of the two conflicting parties, the government and the Tamil militants. At the 40th session, there was no mention on foreign assistance to Tamil militants by Foreign Minister.

However, at the 41st Session of the UNGA, Sri Lanka did not indirectly accuse India as it had done previously, but, instead, thanked India for being with Sri Lanka at ‘the hour of trail and stress’ (Hameed 1988:194). However, Sri Lanka stressed that it would agree to any solution which preserves the multi-ethnic identity and culture,’ but, most importantly, the ‘unitary status of an undivided Sri Lanka’ (ibid). While India stressed that there should be power sharing on a regional basis, Sri Lanka was at this stage unwilling to accept India’s solution, though later on it was forced to implement through Provincial Councils (de Silva 2001).²⁵¹ Whatever was stated in public at the annual UNGA, Sri Lanka worked to secure the international community’s support for its war and preservation of territorial integrity at all times. And it was no secret that Sri Lanka was under huge pressure from Indian leadership and was desperate to be free from it. In May 1985, Foreign Minister Hameed met the UN General Secretary in New York. There he explained to him the situation in Sri Lanka as had evolved with the rise of terrorist activities in the North. As stated in Parliament he had suggested the UN General Secretary that;

...international terrorism or cross-border terrorism...cannot be fought successfully internationally: it has to be fought successfully at regional and sub-regional levels. Because wherever you get terrorism you find that it has a base – may be of two countries or three countries. So, if international terrorism is to be fought successfully, the United Nations fight terrorism at regional and sub-regional levels for which the understanding, the goodwill of, maybe the two countries or three countries who are involved is necessary and without which becomes very difficult (*Ibid*, May 10 1985, col. 406).

²⁵¹De Silva (2001) discusses the power sharing arrangement in Sri Lanka in the post-independence era and gives particular attention to Indian intervention for creating Provincial Councils in Sri Lanka.

Sri Lanka attempted to connect the rise of militant activism of Tamils with international terrorism. But India was interpreting Sri Lanka's issue only as a manifestation of a historical ethnic conflict resurfacing in the post-colonial context, and the UNP was not ready to be completely subdued to India's pressure.

The UNP's effort to give the LTTE the look of an international terrorist group and ignore the context in which it emerged was very clear from its attempts. However, the roots causes of the ethnic conflict are debatable, but Uyangoda (2006) emphasises that the core of the problem lies in state power. Nevertheless, his argument has ignored the external dimension of power in the regional sphere and treats the issue from purely a domestic national perspective only.

By the time the 42nd Session of the UNGA on 23 September 1987 started, Sri Lanka had signed the Indo-Lanka Accord on 29 July 1987. At this meeting, Sri Lankan Foreign Minister referred to the 'wisdom and statesmanship' which led to the Agreement and stated that 'terrorism was virtually at an end'. Nothing was mentioned about India's "coercive diplomacy" (*see* Pant 2011: 42)²⁵² or even its assistance, but he revealed that 'negotiations were almost complete on the issue of devolution' (Hameed 1988: 210).

In 1989 Sri Lanka established Provincial Councils according to the 1987 agreement and before that an interim provincial council was established under the Chief Ministership of Vardharaja Perumal²⁵³ in the North and the East of Sri Lanka according to the famous 13th Amendment to Constitution introduced after 1987 ILA, in order to implement a political solution to the conflict. These developments will be discussed under Indo-Lanka relations section.

5.6. Bargaining with Strategic Assets

Sri Lanka's geographical positioning of IO in the major sea ways and its significance for the possession of some strategic assets are important for its attraction of foreign powers.

²⁵²Harsh V. Pant agrees that India used coercive diplomacy on Sri Lanka towards the latter part of the 1980s.

²⁵³ Chief Minister from 1988 to 1990

Every government used the card of strategic assets to bargain with major powers and this section deals with the Jayewardene regime from 1983 to 1988 did use such strategic assets for keeping the major powers engaged to the small state.

Developing Oil Tank Farm in Trincomalee

Sri Lanka obtained the ownership of about 100 oil tanks, each with a capacity of 10,000 tons in 1965, from the British Admiralty after paying a sum of £ 250,000. This tank farm has always attracted the attention of major powers since it is situated at one of the finest natural harbours in the Indian Ocean, Trincomalee in the North-East of Sri Lanka. Though Sri Lanka took over the tanks they were not much used. The UNP government initiated a project to renovate them in 1981. Sri Lanka tried to attract a foreign bid for the project and only a USA firm named Coastal Cooperation Company, came forward first, but the project was 'an abortive attempt' since the agreement reached was not signed. However, due to the bid of the USA Company the tank farms received much attention among international oil companies and many expressed interests to rehabilitate them. At the calling of offers later the following companies had placed their bids (*Parliamentary Debates*, April 05 1984, cols. 964-8);

Coastal Corporation, US (withdrew application), Indian Oil Company- India, Pacific Resources Inc.- USA, Van Ommeron- Holland, Oil Tanking- West Germany, Tradinaft,- Switzerland, Neftchimpromexport- USSR, Unitank- UK, Oroleum (Pvt) Ltd- Singapore (later came together with tradinaft- Switzerland and Oil tanking- West Germany)

Now at a glance those countries which sent applications first - USA, USSR, West Germany, UK and India - give us an idea of how Sri Lanka was challenged by choosing the contractor. However, the committee appointed for the selection of the contractor found the Singaporean firm which jointly sent the application with Switzerland and West Germany as the best offer commercially and financially.

India Unhappy over Oil Tank Deal

However much Sri Lanka tried to project the Oil Tank deal as a commercial or business deal with done with transparency, it seemed India was not happy as it was not offered the

contract by Sri Lanka. Prime Minister Premadasa discerned India's sentiments from news reports in *The Hindu*.

In spite of the Sri Lanka Government's posture of innocence the Island nation's massive oil storage facility at Trincomalee appears to have gone into the hands of a firm associated with the US (*Parliamentary Debates*, May 25 1984, col. 263).

Also *The Hindu* of 10th May 1984 stated that "A firm with US connection bags the Trincomalee deal". Meanwhile, R. Premadasa pointed out that several US firms had expressed willingness to establish 'free trade zones' in Madras and even Industrial Minister of Tamil Nadu, C. Ponnaiah had visited the US for inviting the business. His point was that India's stance over Sri Lanka's US relations showed what he termed "double methods" that they employ for their purposes and to criticize other countries" (*Ibid*, col. 263).

Making Treaties: a Sovereign Right?

Prime Minister Premadasa argued that 'entering into any business transaction or any friendship treaty is a sovereign right of any country' (*Ibid*). He blamed the opposition SLFP for their concerns over how the major powers would think of us, when the UNP government was getting into making Treaties with them. He stated that "The SLFP will come and shout, "My God what will India think of us"" (*Ibid*). Because, he thought that Sri Lanka should be able to enter into any Treaty; whether 'friendship', 'cultural', 'military' etc., if the "people of the country approved it" (*Ibid*). He justified his stance with the help of the conceptual claims of sovereignty of states and told: "We are not here to liquidate our country and our sovereignty" (*Ibid*). The question of small state sovereignty then often emerged in the debates in parliament particularly because India was increasingly interfering in Sri Lanka's ethnic issue during this period.

5:7. Other Normative Concerns

A particular feature of Sri Lanka's democracy was its adherence to international norms from the beginning. It never wanted to earn the label of being a 'pariah' state from the world community. Therefore it became party to most of the conventions adopted by the UNGA. The issue of human rights, however, began to feature in the discussion of foreign

policy in the 1980s as the country was beginning to feel the heat of a civil war due to the ethnic conflict.

As the Deputy Minister of Foreign Affairs stated in Parliament, Sri Lanka had signed the following conventions by 1983; *The International Convention On Economic, Social And Cultural Rights*; *The International Convention on Civil And Political Rights*; *The International Convention on The Elimination of All Forms of Racial Discrimination*; *Convention on The Elimination of All Forms Discriminations Against Women*; *Convention on The Abolition of Slavery, The Slave Trade, And Institutions And Practices Similar To Slavery*; *Convention For The Suppression of The Traffic In Persons And of The Exploitation Of The Prostitution of Others* (*Ibid* 23:2, March 22, 1983, col.194).

Nevertheless, the government's policy was "to study and accede to such conventions as do not conflict with" its "national interests or sovereignty". For example, the government of Sri Lanka did not sign *the Optional Protocol to the International Convention on Civil and Political Rights*. This Optional Protocol is concerned with provisions on "receiving and consideration of communications from individuals claiming to be victims of violation of any right mentioned in the covenant". It was not signed because the Minister said that the "fundamental rights are justifiable under the constitution of Sri Lanka and it is not considered to accede to the protocol" (*Ibid*, p. 194).

Indian Ocean Peace Zone (IOPZ)

In the 1960s, Sri Lanka took the initiative in launching a dialogue on making the Indian Ocean a Zone of Peace (IOZP) (*See* Kumar 2000; Mohan 2011). The underlined objective of the IOZP was to promote disarmament in the Indian Ocean at a time of international power rivalry and escalation of nuclear proliferation. On the other hand, during the Cold War its function was to stop great powers from using the Indian Ocean for military purposes. The Indian Ocean had to be freed of foreign military bases and military installations and the UNGA adopted a Declaration in this regard. Sreenivsan (2014), in retrospect of the IOZOP, states that regionally India had a 'purist' view on the Indian Ocean, until the end of the Cold War:

Till the end of the Cold War, India stuck to the purist interpretation of the zone as an area free of foreign military presence, particularly bases and other facilities, conceived in the context of great power rivalry. Implicitly, India did not object to the movement of warships, as long as they did not threaten the regional states. Indira Gandhi reiterated this position at a press conference in Moscow, making the Soviet presence legitimate, even though there were reports that the Soviet Union was seeking to establish bases in Somalia and elsewhere (Sreenivasan 2014).²⁵⁴

The IOPZ Conference was to be annually held under the Chairmanship of Sri Lanka, and after much delay, it was held in 1985. Foreign Minister Hameed stated clearly that Sri Lanka ‘...resolutely opposed to any attempt by foreign Powers to carve out spheres of influence in the Indian Ocean’ and ‘the objective of is total elimination of all forms of foreign military presence and rivalries and the creation of peaceful, stable conditions in the region’ (Hameed 1988:397-8).

There was less concern from the Jayewardene regime to commit itself to the conference of IOPZ with spirit, particularly because UK and USA were not willing to see this idea materialize in the region. And we have discussed this attitude of major powers of the West elsewhere in this chapter. For three consecutive years, from 1981 to 1983, the UNP government under Jayewardene could not hold the Conference on IOPZ in Sri Lanka. Sri Lanka could not secure the participation of ‘some important countries’ in the conference and had to postpone it continuously.

In 1983 Sri Lanka invited the American Secretary of State, Mr Schultz. The opposition questioned why the government still failed to hold the conference when it had invited USA to participate in the conference (*Ibid*, 24:5, June 19 1983, col. 487). Sri Lanka as a country which ‘had signed up for the adoption of the Law of the Sea Conference’ and ‘being placed in very important sea lane in world, with important harbours like Trincomalee’ it was very important for it to “thrash out all these matters under the

²⁵⁴See, “New wars on the Cold War relic” by T. P. Sreenivasan (2014 December 16). URL: <http://www.thehindu.com/opinion/lead/lead-article-new-wars-on-the-cold-war-relic/article6694860.ece>, accessed 10 October 2015.

umbrella of the Indian Ocean Peace Zone proposal” (*Ibid*, col. 488). With the extension of Sri Lanka’s Economic Zone the maritime issue was much concerned with Sri Lanka. Sri Lanka received an extension of 200 miles sea area as common heritage. The Conference was important for the country as it could help the development of shore area.

However much the opposition pressed the government to hold the IOPZ Conference, it seemed that it was constrained due to some reason. Primarily, it was the problem of getting together representatives of the two blocs, the Western and Eastern, as the opposition called, which withheld holding of the Conference in the coming years. Sri Lanka was constrained with the issues of Voice of America radio, Oil farms in Trincomalee and maritime issues throughout this period and it was seen without the active support of India it could not wade through these issues. This issue was clearly visualized in the following statement by Lakshman Jayakody, MP, in parliament.

“...I am proposing - to hold the Conference, irrespective of who wants to come. Let all those who are interested in these areas come. I know you have to invite the Russians ...the Americans; the Indians must be there obviously. But there are two important groups of countries, the Eastern bloc and the Western bloc” (*Ibid*, col. 480).

Sri Lanka’s desire to circumvent India’s concern over Indian Ocean was clear in the 1980s. The issue of regional security, which is connected with the maritime security largely and one of India’s priority concerns, was not realized by Sri Lanka in the same fashion it was interpreted by India. Sri Lanka merely followed a strategy of keeping all the major powers ‘happy’. But, certainly, it had a particular understanding with the Western bloc as it was the major funding agency for its development activities during this period.

After 1983: Confronting Human Rights Politics

The Amnesty International Report was not favourable to the conduct of war by the Sri Lankan Government since 1983. It appealed to the Government to ‘prevent deliberate killings of civilians by the security forces in the North and East of Sri Lanka. The Report was concerned with ‘extra judicial killings by the security forces since July 1983’. The government considered the Report as an effort to ‘undermine the confidence of the armed

forces that were fighting for national security' (*Ibid*, 29: 7, June 21 1984, col. 713). Also there were protests staged by international peace activists when President Jayewardene was meeting US President in 1984. *The Sun* of June 19th 1984 reported that such activity represented 'subtle moves to embarrass government' (*Ibid*, col. 712). The emerging violence in Sri Lanka in the mid-eighties was getting the attention of the world and being fast 'transmitted by electronic media and published all over the world' (*The Sun*, 19 June 1984, as cited in *Parliamentary Debates* 29:7 col. 712).

The Fortieth session of the UN Human Rights Commission also discussed Sri Lanka's situation of violence. This session also welcomed the measures taken by the government of Sri Lanka, as mentioned in its submission to the Commission, for rehabilitation and reconciliation (*Ibid*, col. 713).

Backing Disarmament

Sri Lanka saw world disarmament as a key and necessary practice for world peace. In the context of arms competition and war between two international blocs of countries, Sri Lanka safely took the side of peace through disarmament. Both President Jayewardene and Foreign Minister Hameed addressed the issue at UNGA, NAM, UNDC (Disarmament Conference) and other international forums. In addressing the UN Conference on Disarmament (UNCD) in Geneva on 2nd July 1985, Foreign Minister Hameed stated that "the need to protect non-nuclear-weapon States against the use or threat of use of nuclear weapons" was an urgent one (Hameed 1988: 148). Regarding the issue of nuclear weapons Sri Lanka had an ethical stand that "nuclear weapons pose the greatest danger to mankind because it threatens to render the human species extinct" (1988: 148). The ethical and idealist stance of Sri Lanka regarding arms and proliferation of arms can be clearly discerned from many of the speeches either by the President or the Foreign Minister. Paradoxically, Sri Lanka criticised the global conventional arms trade (Hameed 1988), but after 1983, Sri Lanka itself was increasing its arms imports due to the war.

Supporting Super Powers' Initiatives

Normative politics of human rights impinged much on Sri Lanka after 1983 with the increase of violence in the island. A major way Sri Lanka attempted to avoid the impact of human rights concerns was to voice its open support for super powers' decisions in the reduction of arms. At the 42nd Session of the UNGA Sri Lanka praised the initiatives of the super powers to 'dismantle the Intermediate Nuclear Forces (INF)'. As the Foreign Minister stated, "...the agreement being reached on the INF and its positive impact on the international scene makes it, perhaps, the most significant step of the century in disarmament activities" (Hameed 1988: 211).

The next section is on Sri Lanka-India relations in the bi-lateral and multilateral spheres of politics, economics and diplomacy during this era which was the most confrontation phase of relations between the two countries during the post-independence phase of relations.

5.8. Facing the 'Spectacle of Indian' Hegemony'²⁵⁵

India dominated the foreign policy concerns of Sri Lanka during the 1980s. India's intervention in the domestic scenario of Sri Lanka's politics of conflict resolution and ethnic war became the most vexed issue between the two countries. Some scholars mention that 'the official rationale' for India to intervene in Sri Lanka's domestic conflict was "the influx of Sri Lankan Tamils to India as refugees" (Keerawella 1995: 277). Yet, Sri Lanka's narrative on India's role was differently woven in distinction to the dominant power's approach as discussed here mostly through the words uttered by members of Parliament, Cabinet Minister, Foreign Minister, Prime Minister and the President.

India, the immediate neighbour of Sri Lanka with a long history of ancient common cultural heritage and Buddhism, became the 'immediate threat' for Sri Lanka with the escalation of the ethnic war after 1983. Sri Lanka suspected and attempted to confront India for its role in 'grooming terrorist' outfits; and particularly Tamil Nadu became a hot

²⁵⁵Refers to Sankaran Krishna's analysis of India's hegemony in the 1980s in *Post-Colonial Insecurities*.

He talks about spectacle politics of hegemony.

topic of daily political discussion of Sri Lanka during this period. The culmination of Sri Lanka's hectic political manoeuvring to escape the imposition of a hegemonic solution by was the 1987 Indo-Lanka Accord which has been interpreted in many ways, but definitely as a clear example of India's dominance in the region and its small powers. This section is an elaborated discussion of the nitty-gritty of Sri Lanka-India relations under two Prime Ministers of India, Indira and Rajiv Gandhi and two Presidents of Sri Lanka Jayewardene (1983-88) and Premadasa (1989-90). It attempts, as it does in most of the other sections in this chapter, to find patterns of creating resistance by the small state to India's pressure.

The Black July and After

The violent ethnic conflict started after 23 July 1983 when the Tamil militants killed 13 soldiers patrolling Tinneveli in Jaffna Peninsula. This incident then triggered a holocaust of ethnic strife as the Sinhalese attacked the Tamils in other parts of the country in retaliation (see for a detailed account of violence Dissanayaka 2004). Violence engulfed the country in on 10.00 p.m. onwards on 24th July 1983 and the next few days a massive destruction was caused on the lives and the property of Tamils in several parts of the country and 'Black July' tarnished the image of Sri Lanka internationally.²⁵⁶ A major incident which further damaged the goodwill between Sinhalese and the Tamils was the burning of the public library in Jaffna which was a treasure-trove of knowledge, history, culture etc. of the Tamils. When the ethnic violence was being perpetrated in the South of Sri Lanka against the Tamils by mobs and state sponsored mobs and militants, the government of Jayewardene remained silent as if he was advocating such violence without touching the military and the police mechanism to stop the violence of innocent civilians. Amarasingam writing to *Huffington Post* has dealt on the passive attitude and inaction of Jayewardene regime to curb violence. According to his observations,

The Sri Lankan government's response to Black July was dismal. As A.J. Wilson has argued, "President Jayewardene was unequal to the task. At first he seemed numbed and unable to confront the crisis, but he then proceeded from blunder to blunder. He appeared on television on 26 July 1983 with the purpose of assuaging the fears and hysteria of the Sinhalese people, but he

²⁵⁶Black July: the major incident of racial violence in the country which is regarded as the

did not utter a word of regret to the large number of Tamils who had suffered from Sinhalese thuggery masked by nationalist zeal (Amarasingam 2011).

Jayewardene has been criticised this way for his government's silence during the violence when it was happening right in front of the President House in Colombo (Dissanayaka 2004). Black July marked the violent beginning of the ethnic conflict, and thereafter it was blood and iron and not peace which linked the two major communities of Sri Lanka. More importantly, India received a major opportunity to interfere in Sri Lanka in the aftermath of the violence of the black July.

Narasimha Rao's Visit

In the immediate aftermath of the ethnic violence which triggered the war in Sri Lanka, Indian Prime Minister Mrs Indira Gandhi sent her Foreign Minister, Narasimha Rao for discussions with Sri Lankan leaders. Rao's visit took place on 28th July 1983. Prior to the visit of Rao, special envoy of Mrs Gandhi, President Jayewardene received a phone call from Mrs Gandhi on the eve of 27th July 1983 who "spoke of the repercussions in India caused by the events in Sri Lanka" (Dissanayaka 2004 :79). During this conversation she "inquired whether the President would receive Foreign Minister Narasimha Rao as her special envoy" (*Ibid*). With President "readily" agreeing to the proposal of Indian Premier within another six hours Indian FM arrived in Sri Lanka and was welcomed by his Sri Lankan counterpart, ACS Hameed (*Ibid*). Indian Foreign Minister's visit was a fact finding mission and he travelled to some areas in the country by a helicopter.

On 29th July 1983 the Government of Sri Lanka issued a press release on the meeting with India's Foreign Minister. As per the press release, Rao met President Jayewardene and had 'cordial discussions' with him while sharing India's views on the then 'prevailing situation' of Sri Lanka (*Parliamentary Debates* 34: 1, Feb 20, 1983, cols. 27-28 in Annexure "A"1). India's envoy conveyed to Sri Lanka's Head of State that India was ready to help Sri Lanka 'in whatever way the Government of Sri Lanka wished' at that moment. Sri Lanka's Foreign Minister joined the discussion as well. And Rao called on Prime Minister R. Premadasa too. The other leaders whom Rao met included Ministers S. Thondaman who represented Indian Tamil population in Sri Lanka, Gamini Dissanayake, and some other representatives of Tamils (C.Rajadurai and K.

Dewanayagam). All these leaders whom Rao had discussions were members of the ruling regime. And there was no mention about Rao's meeting with any other Tamil representatives belonging to opposition parties.

Visit of Jayewardene's Special Envoy to India

In August 1983 President Jayewardene sent his special envoy Mr H.W. Jayewardene to meet India's Prime Minister (*Sunday Observer*, 14th August, 1983). The discussion with India was on the basis that "India stands for the integrity, independence and unity of Sri Lanka" (*Ibid*). Sri Lankan envoy conveyed to India that 'President Jayewardene had intended to take steps to fully implement the laws relating to District Development Councils'. However, this proposal was not acceptable to India and the discussions on it turned out to be 'abortive'. Apart from this, Sri Lanka promised to take the following steps as measures for reconciliation with Tamils.

1. The use of Tamil as provided for in the Constitution would be fully implemented.
2. Amnesty would be provided for Tamil militants on the basis that they denounce violence
3. Provided the terrorists denounce violence, the Army would discontinue its active part in Jaffna.
4. Removal of the provisions of the Prevention of Terrorism Act on the undertaking that violence and plea of secession would be given up.

Further, Sri Lanka's President was ready to implement all what he promised in his election manifesto of 1977. However, Indian Prime Minister Mrs Gandhi was of the opinion that these proposals would not fully meet the aspirations of the Tamil community. And Sri Lanka's envoy also expressed the readiness of Sri Lankan government to "have further discussions of any new proposals provided of course that the unity of Sri Lanka would not in any way be affected". At this proposal "India offered its good offices to enable a final decision to be reached" (*Sunday Observer*, 14th August 1983). India also had set up 'Sri Lanka Fund' for aiding the victims of violence (*Ibid*).

India's concern over Human Rights Violations in Sri Lanka

In 1984 the Prime Minister of India Indira Gandhi expressed her concern over the security of the Indian origin citizens in Sri Lanka. MPs of Sri Lankan Parliament expressed their anger over Indian Premier's view on Sri Lanka's issue. Moreover, the UNP MPs exploited another statement by a member of India's Janata Party in condemning the position of Prime Minister Indira Gandhi. According to that statement the Janata Party had expressed concerns over Mrs Gandhi's role on Sri Lanka.

General Secretary of the Janatha Party and former Minister of the central Government, Mr. George Fernandes told newsmen in Madras on Sunday that Indian Prime Minister Mrs Indira Gandhi did not have any moral authority to discuss the human rights situation in Sri Lanka (*Parliamentary Debates* May 24, 1984, col. 156).

Lankan Parliamentarians argued that as long as India and the Tamil Nadu government encouraged terrorism there could not be any political solution to the issue. Therefore, some MPs felt it was advisable for Sri Lanka to go for a political solution to the ethnic issue (*Ibid*).

Meanwhile, when the Tamil separatists had kidnapped two US citizens visiting the North of Sri Lanka, Mrs Gandhi appealed to the militants to release the foreigners at their earliest. As the PTI report said, she also added that Indian government was in close touch with the United States, Sri Lanka, and the Tamil Nadu. And she also stated there 'Sri Lanka had expressed its readiness to have talks on the matter' (*Ibid*, col. 157).

Mrs Gandhi's appeal to the Tamil militants was not well interpreted here. It seems that Sri Lanka had expected India to condemn the act of terrorism rather than making an appeal to them. As M.H. Mohammed, another MP, pointed out that India, the USA and Tamil Nadu government were all behind what he called the "stage management of the issue" of Sri Lanka. And told the government would have appreciated if the statement of Mrs Gandhi 'had been a little bit stronger' (*Ibid*).

The UNP regime was on the stance that India should have defended Sri Lanka when it was challenged by international propaganda on violations of human rights. Parliamentarian M.H. Mohamed expressed the UNP's opinion in this regard and argued

that the Chairman of NAM, India, has to stand by Sri Lanka when its image was challenged internationally.

...we are a member of the non-aligned movement, the Indian Prime Minister is the Chairman of the non-alignment movement. So it is her duty when a member country is being harassed, that she should at least prevent the people responsible from remaining in India: at least to see that some action is taken so that propaganda against our country is stopped. It is her duty as being non-aligned to support us (*Ibid*, May 24 1984, col. 158).

Thus the UNP regime tried to drag India into the picture in the aftermath of violence in Sri Lanka and this blame game was a usual feature of Sri Lanka's growing antipathy towards India then.

Mrs B speaking for Mrs Gandhi

It is well known that Mrs Bandaranaike and Mrs Gandhi had very close relationship even at the private level. When the violence erupted in Sri Lanka, Mrs Bandaranaike told the following to *News Week* in India published on 17 September 1984 and it reflects how much India was concerned and influential on Sri Lanka's internal affairs. To one question raised in the interview she gave the following answer:

Instead, there is general feeling of uncertainty about what is in store for us. We know what is happening in the north and on South India (which is largely Tamil population): they are getting very aggressive and ***people have urged Mrs Gandhi to do something. Right now she says she is not going to interfere, but how long can she resist?*** (*Ibid*, 30:5, Sep 21 1984, col. 358).

A well experienced statesperson, Mrs Bandaranaike knew how India could intervene or assist in Sri Lanka's affairs. In the context of racial violence and the UNP regime's tacit approval of the suppression Tamils she had spoken in this way in support of the rights of the minority.

Parthasarathi's Visit

Following the visit of special envoy of President Jayewardene to India, Mr G. Parthasarathi visited Sri Lanka on 25th August 1983 as the personal envoy of Mrs Gandhi. As per the press release of this visit (*Ibid*, 34:1, Feb 20 1985, cols. 33-34; Annexure "A" -3,) he had three rounds of discussions with President Jayewardene. Again

the President had briefed the Indian envoy on the measures the government had taken since it came into power in 1977 as measures to 'resolve the minority problem and also background to the recent violence'. The President was clear in his stance that 'neither his government nor the people of Sri Lanka would agree to a division of the country'. India had sent its material support for the victims of the Black July and Sri Lanka thanked the Indian government for it. In this meeting too President Jayewardene stated that DDC was to be implemented as a measure to solve the conflict. Under this mechanism 'every district would enjoy a measure of autonomy and the people would be able to participate in the administration of the district'.

In a second press release (*Ibid*, 34:1, Feb 20 1985, col. 35-36; Annexure "A" – 4 (1) in) on G. Parthasarathi's meeting with President of Sri Lanka, the Presidential Secretariat stated that the proposals to amend the DDCs law would be presented by the government and it would be placed before the TULF by G.Parthasarathi. If the proposals were to be acceptable they would have been brought to the discussions in the APC. The following proposals were included in this regard:

- The giving up of the idea of a separate state
- The merger of DDC within a Province after acceptance by the Council's Members and a Referendum in the district. This proposal was applicable to the whole Island.
- The recognition of the administration of Trincomalee Port as a central Government function (*Ibid*, 34:1, Feb 20 1985, col. 35-36; Annexure "A" – 4 (1) in).

President Jayewardene had argued that violence would wither away once the implementation of these proposals took place (*Ibid*, cols. 35-36).

At the end of his visit G.Parthasarathi also talked to media and expressed his positive hopes on solving the crisis of Sri Lanka through devolution of power. He mentioned that he had had 'five long discussions' with the President and had met Prime Minister, Foreign Minister, and other Cabinet Ministers and also had discussions with S. Thondaman, and several leaders of the opposition parties. Again he could not meet TULF in Colombo and would talk to them once back in India. He summarized the results of his visit in the following words:

Positive ideas have emerged in the course if these discussions and tentative proposals have been worded out to provide for greater devolution of power to the region. These essentially centre on the creation of Regional Councils with appropriate powers within the framed work of united Sri Lanka (*Ibid*, 34:1, Feb 20 1985, col. 35-36; Annexure “A” – 4 (1)).

India believed that a political solution was the answer to the ethnic question and it was proposing different models of devolution that Sri Lanka might implement as a solution to the issue.

Jayewardene Meeting Mrs Gandhi in 1983

The President attended the Commonwealth Conference held in New Delhi in November 1983. On the side-lines of the Conference he held discussions with the Prime Minister of India, Mrs Gandhi on ‘the problem of Sri Lanka Tamils in Sri Lanka’ (*Ibid*, 34:1, Feb 20, 1985, col. 39-40; Annexure “A”-5). Prior to this meeting with Indian Prime Minister, personal envoy of Mrs Gandhi, Mr Parathasarathi, had discussed the matter with President Jayewardene in Colombo. President Jayewardene firmly held the view that a solution for the Tamil’s struggle could be negotiated only if the TULF gave up its claims for a separate state. Also President Jayewardene was assured by India that it is against ‘secession and stands for the independence, integrity and sovereignty of Sri Lanka’. However, President Jayewardene wanted the matters to be taken up only at an All Party Conference.

Lankan Premier’s Open Condemnation of India

Prime Minister Premadasa often took a very critical stance on India’s attitude toward Sri Lanka at a time when it had already intervened in Sri Lanka’s ethnic conflict and pressurized the UNP regime for a political settlement with the Tamil militants and the community. However, the UNP was divided on the issue of a political solution to ethnic conflict and India’s influence on the government. Its leader President Jayewardene and Premier R. Premadasa represented two different viewpoints on the issue. When President Jayewardene was suggesting the idea of political solution to his Cabinet, Premier Premadasa openly questioned the meaning of ‘political solution’ in Parliament. He firmly

believed that India was assisting the Tamil militants and said it would result in dismantling Sri Lanka as it happened in Pakistan (*Ibid*, May 24 1984, cols. 203-4).

When a faction of Tamil militants accepted that they had abducted the two US citizens for ransom, one Indian weekly, *Illustrated Weekly of India* dated on 11th September 1983, published an article by G.K. Reddy arguing that the abduction could be staged by an “agent provocateur, on the eve of US Vice President’s visit to New Delhi to malign India by branding Tamil Nadu government as the real breeding ground for Tamil terrorism in the Jaffna district” (*Ibid*, col. 205). Premadasa read the article in Parliament and stated his anger over the attempt to save the Tamil militants and Tamil Nadu from the responsibility and put the blame back on Sri Lanka.

Premadasa expected equality of sovereignty for Sri Lanka from India. While reminding the history between the countries he emphasized that the two neighbours had the right to exist independently. This is what he stated in Parliament when India was not handing over militants hiding in Tamil Nadu who had abducted the US citizens.

India is a friendly country of us. We value that friendship. India is a large country. We take that into consideration. We have no anger towards India. We also have come from India. We should keep that in mind too. But we are two states. India should have a responsibility to hand over those who have accepted that they have done a wrong doing violating the law of this country (*Ibid*, col. 207).

Premadasa as a powerful leader of the UNP Government, and who was to become the next Executive President of Sri Lanka succeeding Jayewardene, ardently believed that India should allow Sri Lanka to conduct its internal affairs independently. His viewpoint was constituted mainly with the rationale that all states despite their capabilities should be able to exercise autonomy and sovereignty.

Regarding the foreign relations of the country Premadasa had very much a realistic world view.

I say our loyalties are first with Sri Lanka. We are friendly with all the countries and **we favour those who favour us**. I will not mince my words. We are more friendly with people who are more friendly with us – let it be the USSR or the USA (*Ibid*, col. 210).

Premadasa vehemently argued India was breaching all ethical considerations in its approach to pressurize the UNP government. In his view 'India was not acceding to the policy created by Pundit Jawaharlal Nehru'. He was so ardent that he openly questioned Prime Minister of India Mrs Gandhi;

If you want to invade this country, if you want to a (sic) swallow this country, do so openly without trying to hide. Otherwise what are you doing? Why are you encouraging these terrorists there? (*Ibid* cols. 210-211).

Prime Minister Premadasa was convinced that India was behind the separatist movement in Sri Lanka. Now he had sided with the opposition parties in Sri Lanka in criticizing the approach of India to drive the UNP regime for a political solution with the Tamil militants. He supported the opposition leader's criticism on a statement made by Narasimha Rao in the following manner:

I fully agree with the ho. Leader of the Opposition when he gave that interpretation of Rao's statement. It is definitely an interference with our sovereignty. I stated this in the Cabinet and I am saying it here. It is definitely an interference. I fully agree with you. On that day I was not here. I did not know that you were raising this issue. If I had known I would have jumped up and agreed with you. You cannot play with words. What he says is quite clear. How dare he say that we should reduce our strength, maybe military or civil. Who is Rao to Sri Lanka? Are we dictating to him? Have we asked him to reduce his military strength in Punjab, Bombay or Maharashtra? (*Ibid*, col. 211).

Domestic elements like Prime Minister Premadasa, who had greater influence on the domestic constituency, were viewing the issue of Indo-Lanka relations only from an angle of sovereignty and territorial integrity in the context of Tamil separatism. The terminology they used in attacking India was not based on realistic judgments of the country's power and possibility of it to guarantee for itself external support provided justification for India's dominant presence in regional and world affairs.

President Jayewardene's speech at the Commonwealth meeting was recollected for it shields the country's autonomy.

15 million people can decide to die if invaded. Sri Lanka is a small country. We have 15 million people. Anybody can invade us. I am not arming to fight anybody. Our arms are purely for self-defence, if I have the strength and the life of I will not let my people to subject to anybody. 15

million people will die if an atomic bomb is exploded on Sri Lanka. 15 million people can decide to die if they are invaded by someone else and decide never to give in (*Ibid*, col. 212).

During the Indira Gandhi's regime Sri Lanka-India relations were turning hostile due to a series of events that affected the peace in the region and attracted India's concerns very often. However, when Rajiv Gandhi was elected as PM of India, Sri Lanka expected a different approach from him, particularly towards the ethnic question in the country.

Rajiv Gandhi for a Different Approach

Premadasa, as Prime Minister of Sri Lanka, maintained a strategy to win the local constituency while his leader, Jayewardene as the Executive President, was getting under the sway of India for a negotiated settlement with the Tamils. Yet, Premadasa who vociferously criticized the approach of Mrs Gandhi saw some positive side in Rajiv Gandhi's approach. He told in Parliament that Rajiv Gandhi was having a 'practical viewpoint to solve the problem' (*Ibid*, col. 618).

When the Tamil militants killed several devotees at sacred Bo-tree premises in ancient city of Anuradhapura and its responsibility was taken by a Tamil militant organization called TELO based in Tamil Nadu, Lankan media again questioned Prime Minister Rajiv Gandhi's denial that India did not have bases of the Tamil militants against Sri Lanka. *The Island* editorial dealt on the attack on Buddhists devotees on 24 May 1985. The editorial was titled "Can Mr Gandhi Play Host to TELO?"

But now the TELO has brazenly claimed credit for the grisly killing of defenceless men and women, what does the Rajiv Gandhi Government have to say? Can it any longer maintain the threadbare fiction that there are no terrorist bases in South India? (*The island* 24 May 1985))

The editorial had further accused the Indian government for its alleged act of covering the perpetrators of violence. It asked the Indian government to abandon "absurdly ostrich-like pose and conceded that Indian hospitality' had been misused by Tamil Militants.

India Orders Lankan Govt to withdraw troops

When the Sri Lankan military had decisively suppressed Tamil militants in the northern peninsula in May 1984, India wanted Sri Lanka to halt military operations and negotiate

with them. *The Island* dated May 07 1984 carried a headline titled “India to Lanka: Recall Troops from Jaffna”. The news item was written based on speech made by P. Narasimha Rao, India’s External Affairs Minister:

India has urged Sri Lanka to withdraw troops from its northern city of Jaffna and seek a political rather than a military solution for its separatist Tamil Minority, Indian External Affairs Minister P.V. Narasimha told Parliament today. Rao, speaking during a debate on the Tamil problem in Sri Lanka, said India had asked Sri Lanka to take immediate measures, including reducing troop strength in the Jaffna region, to defuse tension. ‘The continuance of the army offensive was building up an atmosphere of confrontation which could vitiate the search for political solution’ Rao said (*The Island* 7 May 1984).

Sri Lanka Freedom Party, the main opposition, condemned the statement of Narasimha Rao and felt it was “an unwarranted interference in the internal affairs of Sri Lanka” (*Parliamentary Debates*, 8 May 1985, col. 1386). Further, SLFP was on the opinion that India had deviated from its previous position that it would not interfere in Sri Lanka’s internal affairs. The opposition leader requested the UNP government, while condemning the statement of India’s External Affairs Minister’s statement, that it “should not jeopardize our good relations with India” (*Ibid*, col. 1386). Further, the opposition leader read out what he thought was “more disturbing” of India’s stance on Tamils that ‘the entire Indian people are behind the Tamil brethren who have been subject to harassment in Sri Lanka’ (*Ibid*, col. 1388).

As the Minister of National Security, Lalith Athulath Mudali clarified on the statement made by Minister of External Affairs of India. The Indian government had not included the word ‘withdraw’ from its statement sent via the High Commission of India in Colombo. Athulath Mudali also stated that even if India had asked to withdraw troops from the North, Sri Lanka would not do it as it was entirely a matter to be decided by the Government. He also appreciated what India had said in the same statement that “the political solution” India urgently wanted “would be acceptable to the Tamils and to the other communities” (*Ibid*, col. 1390).

The change of the wording of India’s message to Sri Lanka was a sigh of relief for the UNP government. It also welcomed India’s stance that the solution to the ethnic conflict

must be acceptable to all. At the diplomatic level Sri Lanka and India were negotiating the issue with special representatives of each country delivering messages from their respective leaders. From Sri Lanka, Mr Esmond Wickremasinghe, an eminent businessman and relative of the President, was the special envoy. Rajiv Gandhi was using diplomacy to put pressure on Sri Lanka, as well as to end the conflict here through a political settlement, but the domestic constituency was kept in dark while President Jayewardene worked with his close allies. The nationalist of the UNP, SLFP as well as other political elements like the JVP, a Marxist outfit, were meanwhile creating anti-Indian public opinion and organizing protests throughout the country. The political situation in Sri Lanka got much bloodied and darker as the violence in both the North and the South was mounting and the government found it very difficult to handle the situation without the close cooperation of India.

Boycotting SAARC Meeting in Bhutan

Foreign Minister Hameed was called back when he was in England on his way to Bhutan via Bombay to attend the SARC Foreign Minister's session. The Cabinet had decided not to send the Foreign Minister to participate in the SARC Council meeting in response to what was discussed in India's Lok Sabha over Lanka's ethnic problem. As Deputy Foreign Minister Tyronne Fernando explained, the 'the President and the Cabinet decided on this course of action after a very careful deliberation'. Sri Lanka came to this decision after examining the 'various statements made by the Indian leaders and Parliamentarians over a period of time on the situation in Sri Lanka'. The most crucial statement had come from Indian Minister of State for External Affairs Mr Khurshid Alam in the Lok Sabha. Some parts of his speech were read out and the entire speech was tabled in Parliament by Deputy Foreign Minister. Accordingly, Khurshid Alam had stated that

The Tamils in Sri Lanka have felt discriminated for a long time. The various types of discrimination related to citizenship, status of Tami, status of Buddhism as State religion, colonization, discrimination in employment and education and inequality of development in Tamil dominated areas (*Ibid*, 9 May1985, col. 286).

He also had spoken of the Muslim dimension issue too.

The Muslim dimension to the ethnic problem is dangerous as it is the old game of divide and rule. There is no difference between the Muslims and Tamils as they speak the same language. There is some hidden hand trying to divide the two and it is hoped that better sense will prevail among the Muslim so they will realize this game. Muslims should also realize that the Tamils are fighting their cause (*Ibid*).

Sri Lanka's Deputy Foreign Minister interpreted his Indian counterpart's statement as a 'gross interference' in internal affairs of Sri Lanka. Sri Lanka's leadership expected the SARC as a forum to voice its concerns on autonomy of states in the region. Members of Indian Government were so alarmed at the situation in Sri Lanka after 1983, that Sri Lanka felt its autonomy was being constrained

Nevertheless, Sri Lanka's main opposition in Parliament questioned the decision to review the participation in SARC on the basis of India's concerns over its ethnic issue. Because, they argued Sri Lanka had a problem only with India and not with the SARC and therefore the decision lacked 'logic' (*Ibid*, May 09 1985, col. 287).²⁵⁷ Sarcistically, one member asked whether "it is possible to pull out from Indian Ocean and plant it in the Pacific Ocean" (*Ibid*).

Answering the opposition's concerns over the decision of the government not to take part in SARC conference in Bhutan, Foreign Minister Hameed said that Sri Lanka would give fullest cooperation for regional co-operation, but at that context it had to decided so as a 'protest against some members of the organization'. Sri Lanka was 'greatly disturbed by its decision' but it wanted to register its protest against India.

Hameed further expressed the nature of Indo-Lanka relations which could be traced back to millennia.

...India and Sri Lanka have to live together. There are many problems that are common to these two countries. We have lived together for centuries with understanding and goodwill, and we have to live together in the future. We would appreciate it if those who held responsible positions in Delhi would avoid as far as possible damaging, eroding this fund of goodwill that has been built up down through the centuries. It is a plain fact...,that India and Sri Lanka have to live together.

²⁵⁷ From a speech of Sarath Muttetuwegama,

We cannot in any way be separated, and it is up to the leadership in Delhi to ensure that a small country like Sri Lanka does not feel that it is being harassed (*Ibid*, col. 405).

The above expression made by Sri Lanka's Foreign Minister in closing the debate on the statement made in Lok Sabha by India's State Minister of External Affairs captured the essence of the nature of relations between India and Sri Lanka. It was the reciprocity that should be always between the two. As Sri Lanka termed it, they needed each other, and it was Sri Lanka which needed India; and India would use its force if it wanted Sri Lanka to behave in the way it wanted. The 1980s, however, witnesses how much coercive power India had to apply in order to get Sri Lanka under its regional strategy.

No dependence on India

According to its Deputy Foreign Minister the Government of Sri Lanka did not want to become 'interdependent with other countries'. He stated that the government did not like to join a club where its biggest member would 'bully' others. Sri Lanka feared that SARC, as an organization on 'economic and commercial arrangement', would be dominated by India and therefore small countries will have to be 'dependent on a country like India.' Sri Lanka wanted to be 'fully satisfied' as a member of SARC and did not like 'regional-power' India to 'interfere' in its internal affairs (*Ibid*, col. 289).

Controversy over Statement of Khurshid Alam Khan

The statement made by State Minister of External Affairs of India on the developments of relations between the two countries when the violent ethnic conflict had erupted in Sri Lanka gives clear witness for the issues that the two countries had to negotiate in order to stop further deterioration of relations. The entire statement was tabled in Parliament by Deputy Foreign Minister and the government was disappointed over what India had stated in the thirty two point statement. As per the statement, India considered Sri Lanka's 'Tamil problem' as a national question (point 1). It stated that Sri Lanka's Tamils had been felt discriminated for a long time over various issues, such as citizenship, status of Buddhism, colonization, employment etc. (point 2). India rejected the allegations that it had 'encouraged terrorism or provided training facilities for terrorists' (point 4).

Also after the violence erupted after 1983 India's Prime Minister had offered 'good office' to Sri Lankan government and said that the issue had to be settled through a negotiated political solution (point 5). Sri Lankan government had accepted India's good offices and appointed an All Party Conference to find a solution, but failed to reach a solution. India's stance on the Tamils of Sri Lanka was that it could not impose its will on them. India said that 'Tamils had to decide on their course of action, in their own wisdom' (point 6). In point 8 of the statement, it is stated that India wanted 'a solution to the ethnic problem on an urgent basis and was very serious of it'. India had set up a group to work on the issues of refugees and a peaceful solution to the conflict as well.

Apart from the ethnic problem, the statement was also concerned with several other issues between the two countries. It talked about the issue of 'fishermen', 'intrusion of foreign agencies', 'President Jayewardene's statement on Kashmir issue', 'acquisition of arms by Sri Lanka' etc. On the issue of acquisition of arms by Sri Lanka or any other country, India stated that 'any country can acquire as much as arms they want, but it was ready for the challenge' (point 20).

Nevertheless, India's stance on the territorial integrity of Sri Lanka was clear as was stated under point 18 of the text. But, it wanted Sri Lanka to solve the issue of Tamils. Kurshid Alam's point was cited in Lankan Parliament,

(18) India has always believed in the Unity and territorial integrity of Sri Lanka. However the Tamils should be given a respectable position and should enjoy the same privileges and equal rights as the Sinhalese. They cannot remain as second citizens (*Ibid*, col. 291).

It was clear from the above statement the India Government made on Sri Lanka's ethnic conflict that it had clearly taken sympathetic course with the plight of Tamils in Sri Lanka. The prorogation of a severe nationalist discourse by the UNP regime, ignoring minorities of the country and remaining silent over massive violent incidents such as Black July of 1983, had brought Sri Lanka under India's vigilance. India as the major power in the region had to watch the developments in Indian Ocean region and activities of the littoral states.

Similarly, it was pointed out in the parliament debate on the statement of Alam Khan that previously on 29th April 1985 he had made another statement on behalf of Indian government. In this statement nothing severe was told on Sri Lanka's issue; then it shows Indian stance has drastically changed later on due to the failure of diplomacy and other reasons.

Worried over Indo-Soviet Military Ties

Sri Lanka knew that when it was getting closer to the Western camp during the 1980s, India had been in close ties with the Soviet camp since 1971. Premadasa pointed out that in Parliament that India had signed treaties with the Soviets. He was talking about Indo-Soviet Friendship Pact of 1971. This was a 'peace, friendship and cooperation pact'. This Treaty was not a military one. But Prime Minister of Sri Lanka argued India was having military ties with Soviet and *The Hindu* of 11th March 1984 had dealt with the Soviet's offer to 'supply highly sophisticated arms for India's Army, Navy and Air Force' *The Hindu* report went as follows.

India to get MIGs that match F-16s. In addition to the supply of arms Marshall Ustinov has assured the Prime Minister of India of full and complete support of India is in trouble (*The Hindu* 11 March 1984).

What made Premadasa worried over the military relations and the Soviet's assurance of military cooperation with India was that the same privilege of having military cooperation with major powers was not freely available for Sri Lanka. He told, "When Sri Lanka is in trouble we must not ask for support from anybody. What is the meaning of this" (*Parliamentary Debates* 25 May 1984, col. 264).

Athulath Mudali's Visit to India

Minister of National Security, Lalith Athulath Mudali, made a statement in parliament on April 19 1984, on his visit to India during the same month. He had visited India on the invitation of Prime Minister of India to the President of Sri Lanka. He emphasized that during this visit Indian leadership had reiterated its 'commitment to respect Sri Lanka's unity, integrity, and sovereignty' (*Ibid*, April 19 1984, col. 1240). With this assurance

given to Sri Lanka by India, Minister of National Security warned the terrorist groups: he told,

Those who desire to wreck the integrity of Sri Lanka, should keep this Indian commitment well in mind and remember that they will be unable to drag the Government of India to support their efforts (*Ibid*).

Importantly, he had conveyed the Indian Government that Sri Lanka was committed to 'seek a solution' to its ethnic conflict 'through political means' (*Ibid*).

International Conspiracy to Provoke India

Lalith Athulath Mudali, a powerful UNP MP, had told *The Sun*, published on 29 May 1984, that 'there is a conspiracy to divide the country by provoking the Indian government to send its army to Sri Lanka'. Also the news item said the following:

Some people are making statements that the Central Government of India is against Sri Lanka. If by making such statements India was also forced to join the opponents of Sri Lanka we would be the losers (*The Sun*, 29 May 1984).

Sri Lanka's domestic constituency was not united mostly over India's role. The above statement is an indirect attack on what Premadasa as Prime Minister was used to speak about India's intervening role in Sri Lanka. Those who were in the government supported the view that 'India was helping the separatists' and took the side of Prime Minister Premadasa who was vehemently opposing moves of India to mediate (*Parliamentary Debates* 29:7, June 21, 1984, col. 718).

On the other hand, the President tried to play defensively in the face of local divisions and India's pressure for political solutions and negotiations. He told *The Sun* on 1st June 1984 that "...the Indian Central Government was being very co-operative over the matter".

India's Monroe Doctrine

In South Asia India was following a "Monroe Doctrine" in the 1980s. Previously, Indian Prime Minister Mrs Indira Gandhi had stated that "Our small neighbors are obsessed by our size and sometimes let their imaginations run riot alleging intentions which do not

exist”. Responding to this statement by Indian Prime Minister, a journalist’s critique appeared in the *Illustrated Weekly* of India of 15th -21st April 1984. The journalist said that:

The Prime Minister’s statement also implicitly announced a Monroe Doctrine for the subcontinent. Some commentators here have seen in Mrs Gandhi’s espousal of democracy in Pakistan and vigorous championing of the cause of Sri Lanka Tamils, a formal declaration of our privileged position in the area- a position our neighbors must respect (*Illustrated Weekly* 15-21 April 1984)).

The same article further argued that the attitude of India was projecting its imperial design for the region:

But the manner of our involvement in the problem smacks of imperial hauteur. The leader of the Tamil United Liberation Front committed to secession. Amirthalingam was invited to Delhi last August, and it has been made clear to Colombo that we will not tolerate any outside involvement- except ours- in their ethnic problem (*Ibid*).

The above writer views the approach of India to regional affairs in the 1980s as an embarkation on an imperial project. Small neighbours of India were being dragged to its feet by coercion and Pakistan’s and Sri Lanka’s domestic turmoil situations were exploited in this regard.

President Jayewardene addressed the Parliament on 20th February 1985. In his speech he referred to the progress of All Party Conference to find a solution for the ethnic conflict. As he told, the Tamil representatives, the TULF, had not accepted the proposals. The TULF had decided that “there was no purpose in discussing the proposals” and “the government will not implement” them (*Ceylon Daily News* 27th Dec 1984).

India’s Training Camps for Tamil Militants

President Jayewardene stated that the government had made ‘representations on several occasions to the government of India that there was evidence that terrorists operating in Sri Lanka were being trained in camps situated in India’. Also the government had informed India ‘on the leaders of the movement who met in India and conducted the illegal activities from there’ (*Parliamentary Debates* 34:1, Feb 20, 1985, col. 14). Yet, he stated that India had denied all these allegations that the terrorists were trained in India or

operated from there. According to Jayewardene even ‘the terrorists leaders had stated that the Indian government and the Tamil Nadu State government were extending their good wishes to them (Vide the first Congress of the EPRLF held on 28th June 1984 in Tamil Nadu)’ (*Ibid*).

India’s assistance for LTTE

The government media and the government itself gave wide publicity for India’s role in facilitating the Tamil militants. As a government media reported,

The Maharashtra Herald had written a strong editorial saying that the northern terrorists are receiving support from Tamil Nadu. The newspaper said that terrorist attacks on army and police personnel demonstrated the extent of armed assistance they are getting and said: ‘Who could be rendering such assistance save some foreign countries?’ (*Daily News*, 28th November 1984).

The public opinion was clearly rising against India and it in turn justified the external policy of the government that had largely ignored India’s concerns. The ethnic imbroglio of the country was widening and one can argue that it was strategy of majoritarian state to retain its political power by suppressing the minority’s political space. The National Security Minister too spoke the same language of the nationalist media.

Are not terrorists receiving moral sympathies from the government and political parties in Tamil Nadu?’ This is not a flight of fancy but an open charge made against this country by Sri Lanka’s National Security Minister, Mr Lalith Athulath Mudali. (*Parliamentary Debates*:35:4, May 10, 1985, col. 380).

Further, the government of Sri Lanka criticised India’s leadership and wanted it to bring the Tamil militants to the mainstream political life of the country.

Mrs Indira Gandhi had taken a half-hearted stand on the question. Mr Rajiv Gandhi must now clearly make the terrorist understand that they have to adjust themselves with Sri Lanka’s national mainstream?’ the newspaper said (*Ibid*).

Some news reports, particularly the press owned by the government, pointed to the number of terrorist training camps in India; the *Daily News* carried views expressed by Dr Wickrema Weerasooriya in this regard:

The existence of a number of terrorist training camps in India has also been revealed in the course of recent interrogations. There were as many as 34 different organizations who could be described as terrorist movements espousing the cause of Eelam, and a number of them have their own establishments for the training of recruits, and indoctrination. Dr. Weerasooria, said (*Ibid*, 379-380).

During the four years from 1983 up to 1987, Sri Lanka attempted to change India's stance on the conflict. It wanted India to stop assisting the Tamil militants and get them accepted to a solution that Sri Lanka would prescribe for the solution. However, the developments during this period caused for extremely deteriorated relationship with India and imposition of an Indian solution on the Lankan problem later on.

India's Ultimatum: Bali Ram Bhagat's Statement

After Alam Khan, Bali Ram's remarks angered Sri Lanka. Minister of External Affairs of India, Bali Ram Bhagat, stated that 'what was happening in Sri Lanka' had elements of genocide and he issued a warning to 'settle the dispute within a month and otherwise India would intervene'. His statement was 'authorized at the highest level' to force the government of Sri Lanka to come up with a time-frame to solve the conflict with the Tamils. Indian press carried the following report on this statement:

The External Affairs Minister, Mr B.R. Bhagat, urged Sri Lanka today to fix a time frame of not more than a month for finding a negotiated political settlement to the Tamil problem....The killing of innocent civilians must stop immediately, Mr Bhagat stressed, while pointing out that the action of the Sri Lankan security forces against the Tamil militants went "beyond the realm of civilized behavior and had the elements of genocide". This is the first time that India has publicly accused the Sri Lankan Army of indulging in indiscriminate killing of Tamils, bordering on genocide (*The Hindu* 27 Feb 1986).

Indo-Lanka relations were in doldrums by early 1986. India was adding too much pressure as is evident from the statement of its External Affairs Minister to solve the conflict within a given period of time. Also the charge that Sri Lankan army carried out 'genocide' in the North would cause discomfiture for Sri Lanka in the international community and that would also make it to seek support from the West etc. The local press also responded to Bhagat's statement and criticized India's attitude and actions. A report in criticized India and the 'Indira Doctrine';

And when the 1983 communal riots broke out India flexed its muscles and gave hints of even armed intervention. It also proclaimed the infamous 'Indira Doctrine'-no country in the region should establish relations with each or an outside power if India considers it is detrimental to its interest (*Island*, 3rd March 1986).

The same newspaper report referred to 'Indira Doctrine' as obnoxious, that the region would not agree with.

Even though no country in the region did accept such an obnoxious doctrine, Sri Lanka given the circumstances was compelled to seek the so-called 'Good Offices' of India. But does it mean that Sri Lanka has become a client state? Apparently, the Indian External Affairs Minister, Mr. Bali Ram Bhagat seems to be under such a delusion when he told the Indian Upper House that he will give Sri Lanka one month to solve its ethnic issue (*Ibid*).

As is evident from above citation, the nationalist school of thought in Sri Lanka interpreted India's approach only through the prism of Realism; dominant power influencing the weak. Yet, the local issue, ethnic violence, persisted transcending state boundaries and making it an international issue towards the mid-1980s. Meanwhile, the nationalists further thought that 'Sri Lanka made a grievous error' by seeking 'good office of India' and not taking it to the UN Security Council for 'promotion of an insurrection in Sri Lanka and gross interference in its internal affairs' (*Parliamentary Debates*, 40:3, March 04, 1986, col. 345).

Indirectly, India charged (as mentioned in Ram Bhagat's statement) that the incidence in Sri Lanka could amount to be 'genocide'. Such an attitude by the regional power could have made Sri Lanka completely defenceless in the international sphere; that is why Sri Lanka attempted to project that USA and the West still had some sympathetic attitude toward it despite India's avowed opposition to the suppression of Tamil militants. MP Meryl Kariyawasam told Parliament that 'Sri Lanka was sorry that a very senior Minister of the calibre of the External Affairs Minister of India had this type of accusation against Sri Lanka'. He further argued against the charges of genocide, stating that it was never a practice in Sri Lanka (*Ibid*, col. 347).

Premadasa Meets Rajiv Gandhi

Prime Minister Premadasa met India's Prime Minister Rajiv Gandhi in Harare at the side-lines of the Non-Aligned Conference. Premadasa had remained anti-Indian for its mediation efforts in Sri Lanka for long. As Premadasa told in parliament, he had told the following with Indian Prime Minister.

I told him Sri Lanka is a unitary State. It is a very small country. You cannot have a federal system here. Besides, resources at the local level are insufficient to make federalism viable here. This is why our Government has proposed a system of devolution of power retaining the unitary nature of our Constitution and the unity and independence of our country, which is the homeland of all those living here as its citizens (*Ibid*, 42:01, September 09, 1986, col. 30).

Towards the end of 1986, it was evident that Sri Lanka showed signs of weariness over the issue of ethnic conflict. It was unable to retain its nationalist stance that the militants should only be dealt with violence. Premadasa's acceptance that he was "confident that Sri Lanka has the assistance of Shri Rajiv Gandhi and his government" revealed to a certain extent Sri Lanka's changing attitude toward India's mounting pressure (*Ibid*, col. 31).

Sincerity of Sri Lankan Government doubted

Indian government suspected the sincerity of the Sri Lankan leadership for its commitment towards a solution for the ethnic conflict. At a press conference held in Harare, Zimbabwe, on the side-lines of the NAM conference, India's Prime Minister expressed his doubts over the commitment of Sri Lanka's leadership to solve the ethnic conflict through negotiations. He told the press that India did not just 'know what the Sri Lanka government was doing; whether it really wanted to resolve the problem or not?' (*Ibid*, 42:6, September 26, 1986, col. 563). He also charged that Sri Lanka President had taken "one –and-a-half years to come around and agreed to implement the proposals in a document of a multi-party conference". As *The Weekend* reported "Indian Prime Minister Rajiv Gandhi had 'sharply criticized the Sri Lankan security forces charging them of massacring innocent Tamils'" and also he doubted 'Sri Lankan government's sincerity in resolving the ethnic problem' (*The Weekend* cited in *Ibid*).

JR accepts War as 'Senseless Enterprise'

As a result of the increasing violence in the North and East of Sri Lanka, Tamils kept migrating through legal and illegal means. The majority of them escaped to India's Tamil Nadu, while some others managed to find refuge in the West. By September 1986 there were 130,000 Sri Lankan Tamil refugees in India. As India's Prime Minister Rajiv Gandhi stated India wanted to send them back, but the people feared to return as the 'security forces were massacring them' (*Ibid*, col. 563).

President Jayewardene annually addressed Sri Lanka Parliament and in his speeches in 1984, 1985 and 1986 he had dealt with the issue of terrorism and its cost on the country (*Ibid*, col. 5). In February 1987 when he addressed Parliament a heavy war was going on and the President revealed by then that about 4000 security personnel and civilians had been killed in what he termed as the "senseless enterprise", i.e. the war. The president appraised the contribution of the Indian government during the past period since 1983 as a mediator in the conflict. He said "India had succeeded in persuading the Tamil Groups to participate in the two rounds of talks at Thimpu July and August 1985" (*Ibid*). Then the continued efforts of India 'had finally resulted in a "Draft Terms Accord and Understanding" being initialled on 30th August 1985'; as he explained these proposals were agreed as 'a reasonable basis for negotiation and settlement' and also at the same time "Conditions of Implementations" for 'restoring normal civilian administration was too prepared (*Ibid*, col. 5-6).

In July and August 1986, with the support of Indian government, Sri Lanka discussed with TULF the proposals for devolution of power in the form of 'Provincial Councils'. The Amendments to the Constitution of Sri Lanka would result in the PCs and they would get powers as listed in 'Reserved, Concurrent and Provincial Lists'. Again in November 1986 in Bangalore, on side-lines of the SAARC Summit, Sri Lanka President and Prime Minister of India had discussions on these proposals. The proposed mechanism of devolution through PCs was tabled in Parliament by President on the same date he addressed the parliament and these proposals had been discussed from 30.08.1985 to 19.12.1986 (see for details of the proposals in Sinhala, *Ibid* 46:1, Feb 19, 1987, cols. 19-69).

India seeks Permission for Humanitarian aid for Jaffna

On June 1st 1987 Indian High Commissioner delivered a message from Indian government to the Foreign Minister and requested Sri Lanka's permission for delivering humanitarian aid for Jaffna. The message was read out in parliament by Prime Minister Premadasa (*Ibid*, 47: 6, 02 June 1987, col. 339-40). The message from India had been concerned over the "population of Jaffna...suffering extreme hardship under the five month old economic blockade imposed upon" the region by the government of Sri Lanka (*Ibid*, col. 339). India considered this to 'a tragic situation' and in response proposed 'to send urgently needed relief to Jaffna through the Indian Red Cross' (*Ibid*, col. 340). For this to materialise, India required the 'concurrence of the Government of Sri Lanka'.

In replying to the message from India the same day, the Sri Lankan government sent a reply. Sri Lanka in this message considered India's concerns over the situation in Jaffna as just an allegation and denied that such a humanitarian tragedy was taking place there. The government also told India that the North 'did not require' or 'solicit' 'any assistance from any outside source as the government of Sri Lanka was in a position to meet all requirements' (*Ibid*, col. 341). However, in the next paragraph of the message, Sri Lanka mentioned that "if as professed the Government and people of India want to be of assistance, the Government of Sri Lanka would consider receiving relief supplies intended for the Jaffna area purely in the interest of good neighbourly relations" (*Ibid*).

It seems Sri Lanka was not in a position to totally deny India's consideration, but still its reply was not that encouraging, though India in a second message, "thanked Sri Lankan Government for agreeing to participate in this humanitarian undertaking" (*Ibid*, 47: 06, June 02, 1987, col. 342). However, Prime Minister Premadasa told parliament that "the Government was surprised with this reply and thought that India had understood the reply properly" (*Ibid* col. 342). The next reply from the government of Sri Lanka was somehow clear and not ambiguous like the previous, as Premadasa read out in parliament, it went as the following:

1. The Government of Sri Lanka is surprised that the Government of India has misinterpreted its response to the message of the Government of India dated 1st June 1987. The Government of Sri Lanka reiterates that there is no situation calling for outside assistance.

01. 3. The Government of Sri Lanka has not concurred in the sending of persons and good from India until the modalities of supply and distribution are worked out by the two Governments. The Government of Sri Lanka is prepared to discuss these modalities forthwith.
02. 4. In this context, the Government of Sri Lanka strongly objects to any unilateral action by the Government of India and any such action will be considered a violation of the independence, sovereignty and territorial integrity of Sri Lanka (*Ibid*, 47: 06, June 02, 1987, col 342).

Then the government of Sri Lanka's response to the second message which India sent on June 2nd 1987 was clear, that it did not like to receive humanitarian aid from India or other sources. Yet, the above point number 3 mentions about 'modalities' to be discussed for 'supply and distribution of aid' could be misleading though. Premadasa argued strongly against India's mediation. He said that

We are a independent state; a sovereign state, a state that would not bow down to any state. This is what we told India; if they think aid should be supplied, for the time being such aid is not required for Jaffna. If they insist on supplying aid, aid can be sent to Sri Lankan Government without directly sending to Jaffna (*Ibid*, 47: 06, June 02, 1987, col. 342).

Sri Lanka did not want India to deal directly with Jaffna. It wanted to channel everything through the central government in Colombo. So, Premadasa argued 'unlike India which could be a Federal State, Sri Lanka was a unitary state' and still he questioned whether one can send aid to Punjab without the consent of India (*Ibid*, cols. 343-4).

In this context of increasing diplomatic heat in Indo-Lanka relations over the issue of humanitarian supplies, Premadasa reminded India that Sri Lanka is a part of a larger international community, and he wanted 'Sri Lanka's friends to be concerned over the situation'. Premadasa wanted India to rethink the following;

We are members of United Nations. From the beginning we have been members of the Non-Aligned Movement. We are members of the Commonwealth. We are a state which has agreed on the '*Panchaseela Prathipaththiya*' (five principles/precepts). ...We are hopeful that India would act to secure our friendship, brotherhood, and despite all these the UN Charter, Charter of the NAM, SAARC Policy, and the consent of the Commonwealth (*Ibid*, col. 345).

Sri Lanka as revealed from Premadasa's speech thought that India as a democratic power and a member of all other democratic organization of which Sri Lanka was also a member would not interfere and intervene in Sri Lanka's affairs though the situation had

a humanitarian tragedy as well. Yet, despite all these pleas and arguments, India was insisting on taking action on Jaffna's plight and went on to take the next course of action as Sri Lanka did not like India to send direct aid to Jaffna.

The opposition SLFP, in its analysis of the situation in this context, when it was imminent that India would use it force on Sri Lanka very soon, stated the following:

The Sri Lanka freedom Party holds the view that this situation, which endangers Sri Lanka's sovereignty, is the tragic outcome of the steady deterioration of relations between Sri Lanka and India during the last decade. It also signifies a total failure of foreign policy and the intensity of those who have shaped it for the past ten years...our party is aware that the situation has worsened by open patronage of the terrorists by India and the inability of the Sri Lankan Government to control this unbridled violence and terror. This unfortunate situation has been created partly by the irresponsible and needlessly provocative behaviour and utterances of leading personalities of both Tamil Nadu and Sri Lanka' (*Ibid*, 47: 6, 02 June 1987, col. 350).²⁵⁸

Sri Lanka's thinking that it could rely on international agencies and its friends against India's possible threats proved to be a farce. The next section describes the intervention action of India which was the most serious breach of Sri Lanka's sovereignty and most of all Indo-Lanka 'good neighbourliness' or an idealist idea of such 'friendly' relations in world politics.

India Airdrops Food in Jaffna

When India tried to use force to compel Jayewardene government for negotiations with the Tamil militants, it worked; for instance the airdrop of food in the Jaffna Peninsula created fear in the small island and it had to look the direction India was showing then. The Indian External Affairs Ministry justified this action on humanitarian grounds and stated that it was due to the "constant deterioration of the conditions of the people of Jaffna" (*New Straits Times*, 05 June 1987, p. 12). However, Sri Lanka condemned India's aggression in a note handed over to the India Government through the Sri Lankan High Commission in Delhi:

²⁵⁸ From a speech of Anura Bandaranaike, leader of opposition.

It (the airdrop) is a naked violation of our independence. We have no military or other means of preventing this outrage. This is unwarranted assault on our sovereignty and territorial integrity. We shall hold you responsible for consequences. We will take this up in the appropriate forums (*New Straits Times*, 05 June 1987, p. 12).

However much Sri Lanka protested over India's unilateral action by violating its airspace etc. it seemed that this action led to rethink the nationalist strategy against the LTTE and other Tamil militants on the part of the Colombo government. The rapid developments which took place, before and after this incident, in the diplomatic arena resulted in the signing of the ILA in July 1987 (*see* Dixit: 1998).

In the early months of 1987, Sri Lanka launched massive attacks on Tamil militants and by May 1987 there were about 'ninety to hundred thousand refugees'. Adding to the plight of civilians, Lankan government also cut off supply of essential foods and other consumer items to the peninsula. As Dixit points out by February 1987 India had requested the Government 'to stop military operations against Tamils, to lift the economic blockade of Jaffna and to take follow-up actions to the December 19 proposals for entering a compromise' with the Tamil militants (1998: 91). India's request was also done through a general appeal and Sri Lankan Government was annoyed by this act.

Meanwhile, India knew that Sri Lanka was going away from the path of 'political solution' and launching an offensive on the LTTE. Rajiv Gandhi sent a personal message to President Jayewardene in mid-February 1987 and it contained a warning though it ended with the greeting 'warm regards'. The message as reproduced in Dixit's work was a top secret and said particularly that India was 'concerned and distressed over the military operations' and wanted Sri Lanka to 'halt the operations' which would be 'in everybody's interest' (Dixit 1998: 93). Also Dixit conveyed another message to President in the second week of February of 1987 and it stated clearly that "India shall not resume its good offices unless military operations are stopped immediately" (1998: 94). On March 13 India sent former Foreign Minister Dinesh Singh to Sri Lanka who had 'extensive discussions with President Jayewardene' (Dixit 1998: 94). President Jayewardene positively responded and agreed to implement the proposals as was agreed

with Chidambaram and Natwar Singh on 19 December 1986 and also declared a ceasefire (Dixit 1998:94).

In the preceding months LTTE escalated violence on civilians and again President Jayewardene wrote to Prime Minister Gandhi and requested him to 'appreciate Sri Lanka's difficulties'. The government wanted 'to continue military operations in Eastern Province and Jaffna for eliminating terrorism' (Dixit 1998:95). India was not happy with Sri Lanka and knew the militarist plan, which according to the President wanted 'to raze Jaffna to the ground and burn the town' was progressing well (Dixit 1998:96). Now there was another immediate communication by Dixit to President Jayewardene on 27 May with the information of a verbal message from Rajiv Gandhi which highlighted India's disappointment over the plight of the civilians. President Jayewardene asked Dixit to convey the Indian leader that "military operations will continue" (Dixit 1998:97). President Jayewardene was careful to mention that 'he did not wish any confrontation with India and expected not to be prevented from stern action against ruthless terrorist violence' (Dixit 1998:97).

Above I have discussed the sequence of events between Sri Lanka and India which led to India's 'forceful' intervention in the conflict. Starting as a personal level issue with Mrs Gandhi and then developed into a diplomatic scuffle between the two countries, the relations gradually deteriorated while the ethnic conflict developed in the backdrop. Nationalism in Sri Lanka was at a crude level and it did not realize the danger of entering into an open row with India which attempted to get the small power under its influence. Sri Lanka thoroughly entangled with the issue of India covertly backing Tamil militants, did not want to accept that India had a greater concern over the plight of Tamils in Sri Lanka. Despite, India's mediatory attempts Sri Lanka thought it could defeat the militants by using force with the help of foreign powers, but ultimately India's spectacle politics stood much more powerfully than what Sri Lanka had expected it to be.

Almost War: "Operation Poomalai"

At the failure of all communications between the two governments, India decided to send supplies to Jaffna Peninsula in boats on 2nd June. When the Indian coast guard boats

reached the waters of Jaffna 'Sri Lanka Navy blockaded them' and asked them to return back to India (Chattopadhyaya 1994: 86; Dixit 1998:102; Ghosh 1999: 78).²⁵⁹ Sri Lanka thought that it had done the right thing as the papers praised Sri Lanka Navy for its standing firm before the Indian Navy. Yet, the situation got worse as India decided to airdrop the same supplies which were denied of access to the island.

On 3rd June Indian High Commission arranged for the safety of all Indians in Sri Lanka and got them to Colombo and put them in hotels. The following morning India was to airdrop food accompanied by four Mirage fighter planes. Dixit informed about the imminence of near war situation to Foreign Minister Hameed at around 12 p.m. and on June 4th and the India airdrop took place around 1700 hrs. On the same day. The government of Sri Lanka was advised that no air-borne attack or ground based fire should be carried out against Indian planes and were given flight information.

The Indian operation of airdropping 'humanitarian supplies' was called 'Operation Poomalai'²⁶⁰ and was no secret to the world as the media was allowed to oversee the loading of supplies to the plane. India dropped about 25 metric tonnes of supplies and operation went on for nearly half an hour. During the entire time of the operation the Indian airbase in South India was kept on alert. The display of India's force with military intervention was completed in order to get the Lankan forces to stop the violence on Tamil civilians, and, particularly, India wanted to respond to 'Sri Lanka's defiance of India's mediatory attempts'. India regarded the blocking of its boats loaded with supplies by Sri Lanka Navy as a humiliation and damage to the credibility of the Prime Minister himself (Dixit 1988: 106).

The underlined message of the violation of air-space of Sri Lanka by Indian Navy for whatever the reason it did so, was very clear. In future Sri Lanka would need to bow down to the pressure of the Indian government to show it adhered to India's strategic concerns in the region. The month up to July 1987 when the Accord was being signed,

²⁵⁹Accounts by these writers tell that India had sent 20-boat Indian flotilla 19 of which boats were loaded with food, kerosene, medical supplies etc. and Red Cross personnel in 01 boat which sailed out from Rameswaranon 3rd June 1987.

²⁶⁰Meaning 'flower garland', and this operation was also called 'Eagle Mission 4'.

was marked by local agitations and relentless anti-remarks on India. Yet, the humanitarian supplies continued to Sri Lanka from India and the LTTE wanted to come to a settlement, if the government was ready to withhold operations and withdraw from the areas under the army.

India's conditions for Indo-Lanka Accord

While the leadership of Jayewardene government and Indian High Commissioner Dixit discussed at length the provisions of the imminent Indo-Lanka Agreement, India too had some points to emphasise regarding its interests in Sri Lanka, as Dixit (1988) has summarised in his book.

- a) Reduction and phasing out of foreign military and intelligence personnel in Sri Lanka from the United Kingdom, Pakistan, Israel, South Africa and so on.
- b) Sri Lanka should reorganize its foreign and defence policies and reduce its involvement with USA, Pakistan, China, Israel and South Africa.
- c) Sri Lanka should give some assurance to India that its seaports and airports would not be utilized by foreign powers which were antagonistic towards India or which affected India's security interest negatively.
- d) Sri Lanka should fulfil the assurances which it gave in 1985 that India would be given an opportunity to maintain the Trincomalee Oil Tank Farms and the Sri Lanka would prevent foreign broadcasting stations like the Voice of America from being utilized for military purposes by countries like the United States, West Germany, etc. (Dixit 1988:133).

These demands were regarded as 'excessive' and 'made at the last moment' by Jayewardene; but they were 'not new' according to Dixit. As Dixit states,, these demands had been put forward to President Jayewardene on April 29 and May 5 1985 by Minister Chidambaram (Dixit 1988:133-4). From time to time, India used to remind Sri Lanka about these demands (again on December 17 and 19, 1986 by Natwar Singh). It was very clear that India's cooperation to solve Sri Lanka's crisis depended on the responses to these demands by Sri Lanka; and Dixit himself admits it in the book (Dixit 1988:134).

Dilemma over India's Demands

The UNP Government was not unanimous on the draft Indo-Lanka Agreement, as well as how it could accommodate India's demands which had consequences on the foreign and security policy. On the other hand, some issues like 'Tamil as official language and

merger of the North and East' to be included in the Accord as provisions was not agreed by all. The nationalist Ministers and liberals in Cabinet had a division over these proposals. Most importantly, the President feared that he would face 'extensive opposition and the danger of overthrown' and wanted Rajiv Gandhi to ensure the continuation of his power and safety (Dixit 1988: 135).

With all assurances from India that the Jayewardene government would be assisted politically and militarily in implementing the proposed Indo Lanka Accord, arrangements were ready to sign the Accord on 29 July 1987. The signing of the Accord was immediately followed by stationing a contingent of 6000 IPKF in Jaffna and Eastern Province under Major Harkirt Singh (*Online Asia Times*, 6 April 2002).²⁶¹ Law and order was deteriorating in the country as the fragmented polity agitated and protested Indian intervention. The SLFP, MEP, and the JVP and other nationalist Sinhalese elements waged huge protest in Colombo and outskirts and the Sri Lankan military had to be deployed to maintain order in the Southern districts, while the IPKF looked after the North (Bandarage 2008: 135). Nevertheless, despite the local agitations and violence against the ILA, the accord was signed and consequently put into operation through constitutional means by Sri Lanka.

Indo-Lanka Accord 1987

India's long term intervention in Sri Lanka culminated in a political solution to the ethnic conflict when the Indo-Lanka Accord was signed on in 1987 under emergency conditions. J.N. Dixit gives a full account of making of the Indo-Lanka Accord in his memoir, *Assignment Colombo* (Dixit, 1998). Dixit served as the High Commissioner to Sri Lanka from 1985 to 1989 and could graphically explain the events as they unfolded during this period. His account is a powerful reflective of the events unfolded during his tenure as High Commissioner. Similarly, it brings much information which one can use to analyse the sequence of the events during this period. As Dixit views it, the failure of

²⁶¹ See *Sri Lanka: The Untold Story*; Chapter 34: Accord and its ramifications; URL: <http://www.atimes.com/ind-pak/DD06Df04.html>, accessed 09 October 2015.

political persuasion by India on Sri Lanka government resulted in the next stage of persuasion with the use of force.

Balancing IPKF Presence

President Jayewardene was cautious of the presence of the IPKF, and wanted measures to balance that power, though India did not like to see any other foreign military element in Sri Lanka to assist the Indo Lanka Accord. Despite that, President Jayewardene arranged logistic assistance for Lankan military with the assistance of USA, UK and Pakistan and this was deliberately arranged as a political tactic to keep the Southern constituency silent over the presence of IPKF. But, it was done so as Sri Lanka might have wanted to show the strength of its allies who were ready to help the small nation at any time it was required. Though not happy over this, Prime Minister Rajiv Gandhi said that he could not obstruct the 'sovereign discretion' of Sri Lanka (Dixit 1988).

President Reagan also congratulated both Sri Lanka and India over the Peace Accord and was happy to see that India was taking responsibility for establishing peace in the region. On the other hand, Sri Lanka kept informing the super power on the details of the agreement with India though the two countries had promised to keep the agreement a secret.

India from Mediator to Guarantor

The Indo-Lanka Accord made India the sole guarantor of peace between the two warring parties in Lanka. India's interventionist and mediatory attempts were being transformed into the role of guarantor of peace. The Peace Accord led to the establishment of an interim Provincial Council for the North-East and later on PCs were established for eight provinces (at present, nine). The Indian government agreed to fulfil the following tasks in assuring the implementation of the accord, which are listed in article 2.16 of the Indo-Sri Lanka Agreement to Establish Peace and Normalcy in Sri Lanka 1987:

- a) India will take all necessary steps to ensure that Indian Territory is not used for activities prejudiced to the unity, integrity and security of Sri Lanka.
- b) The Indian Navy/Coast Guard will co-operate with the Sri Lankan Navy in preventing Tamil militant activities from affecting Sri Lanka.

- c) In the event that the Government of Sri Lanka requests the Government of India to afford military assistance to implement these proposals, the Government of India will co-operate by giving to the Government of Sri Lanka such military assistance as and when requested.
- d) The Government of India will expedite repatriation from Sri Lanka of Indian citizens to India who are resident there, concurrently with the repatriation of Sri Lankan refugees from Tamil Nadu.
- e) The Government of India and Sri Lanka will co-operate in ensuring the physical security and safety of all communities inhabiting the Northern and Eastern Provinces. (Cited from Dixit 1998: 194).

India's official view point has remained throughout that Sri Lanka's unity, integrity and security remain inviolable and it agreed to safeguard them. More importantly India sent its IPKF as per the request of Sri Lankan President the day after the agreement was inked in Colombo. Also Rajiv Gandhi assured that the Government of President Jayewardene was not subjected to any military coup during the period of the agreement and kept Indian Navy vessels in Sri Lanka's Sea for any emergency.

IPKF Sent Off

When R. Premadasa became the President in 1989 his key agenda was to send back the IPKF as he had promised to do in the election campaign as well. All opposition had supported this idea from the beginning and he could fulfil his demand as India too wanted to call its forces back home which had suffered huge casualties and death on a foreign land for the peace and integrity of that country. By March 1990 the last contingent of IPKF had left Sri Lanka.

Tension and Suspicion as Key Words

The key words that could characterise the whole gamut of Indo-Lanka relations in the 1980s are given by Dixit; 'tension and suspicion'. The 1980s were the last decade of Cold War and in the Indian Ocean the power rivalry of the great powers could still be visible from the bases and the military installations they had in places like Mauritius, Diego Garcia etc. The UNP, as a traditionally Western oriented clan of rulers, seemed to have under-recognised the role and status of India in the Indian Ocean region, particularly in South Asia. The entire tussle between the two nations was due to the attitudinal issues the leadership had towards each other. Indira Gandhi and Jayewardene, it seemed, never even had personally liked each other and they had displayed that unwillingness to co-operate at

many instances. When Indira Gandhi wanted the NAM to have a security strategy to keep away the great powers, Sri Lanka put forth reservations. Sri Lanka, together with Pakistan, UK and USA acted to counter the hegemonic attitude of India and it attempted to gain from the interests of extra regional powers in the Indian Ocean. Sri Lanka's dilemma of security was proven when Rajiv Gandhi intervened with a display of power and arrogance by undertaking to protect the welfare of the Tamils in the North, which the Government of Sri Lanka did not accept. Sri Lanka too attempted prove that though it was small in power, it had at least the equality as a legal person in the international arena but such idealist thinking of the UNP leadership failed when India signed an agreement with hidden conditions and huge military role, undermining the sovereign authority of Sri Lanka. Sri Lanka might have benefited by having IPKF and Indian military assistance as it could divert the military for the security in the rest of the country, but still the mere presence of a foreign force in another land could only prove the weaker power and demonstrate the inability of the state to fully enjoy its sovereign rights.

After 1987: Domestic Turmoil with the Surge of Nationalist Violence

The years after 1987 till 1990 were marked by intense violence in both the South and the North regions of the country. The LTTE was not respecting the Indo-Lanka accord and they were now fighting the IPKF and inflicting violence on civilians. On the other hand, the South was experiencing a period 'violent terror' (*Beeshanaya*) due to the suppression of the nationalist and Marxist JVP by the government because they had opposed the Indo-Lanka Accord and then started riots against the government all over the South (See Bandarage 2008; Abeysekera 2002). One critic, Jayatileke (1996) saw this situation as a *dekonawillakkuwa* or a torch burning at the two ends, which interestingly captured the dilemma the government faced at the both ends of the country. In the North the LTTE and in the South the JVP and several other nationalist and Marxist elements had engaged in violence. The military in the South unleashed tremendous violence on the rioting youth and the number of killings, disappearances and abductions had risen enormously. There was near anarchy in the entire country and the only rule was the rule of the military and the militant elements. The JVP, as those experienced the situation say, was about to capture the state power if they were not brutally suppressed by the Jayewardene and

Premadasa regimes. Premadasa, when he was elected, had no peace to rule but had to continue with terror and violence throughout the period till his tragic death in 1993. The period from 1990 onwards experienced many peace efforts with the war in the backdrop and that condition of wars for peace and peace as an internationally mediated and locally and regionally defined outcome will be discussed in the next chapter. The next section presents the summary and conclusions of this chapter.

Summary

The period covered in the analysis of this chapter is from 1983 to 1990. The year 1983 marked the beginning of the violent ethnic conflict in Sri Lanka and a decade or so long bitter relationship with India thereafter; also, the year 1990 marked the end of bi-polarity globally while India happened to change its approach toward the small state. The period discussed in this chapter runs only less than a decade but stands as the most volatile era challenging security and survival of Sri Lanka in post-independence history. It was an era of bloodbath and also doomed the economic progress in Sri Lanka. The nationalist elites of the major parties, the UNP and the SLFP, had wanted to keep the supremacy of the Sinhalese government by militarily overpowering the Tamil militancy which ran amok during this period.

The 1980s started for Sri Lanka with some remarkable achievements in the economic sphere with the creation of employment, high growth in export, and construction of several mega projects and industrial development through Free Trade Zones (FTZ) and Board of Investment (BOI). Yet this bubble of development was created by the sponsoring of the West and the Breton Woods institutions could not sustain its scale of high growth as political stability was challenged by the militancy and violence in the North after 1983.

The government of President Jayewardene attempted to eradicate militant elements in the North through a high emphasis on the use of military for crushing them. The Tamil and the Sinhalese identity politics rose to its crescendo during this period as both the parties used organised violence against each other, while the militants kept fighting the state military. India's concern for the conflict emanated from two major concerns. One was the

Tamils in Tamil Nadu who agitated often for India's intervention and the other was the Indian Government's concern on the external policy of Sri Lanka which had drastically deviated from the strategic goals of India in the Indian Ocean and South Asia.

Sri Lanka's open display of allegiance to the West, particularly the UK and the USA and its dealings with Israel, West Germany, China, Pakistan etc. had been a major concern for India which had a policy to keep the Indian Ocean free from great power political interventions. On the other hand, India was closely aligned with the USSR with a Defence Agreement with the great power and it did not like the military installations, bases and use of strategically important areas and resources in the Indian Ocean, particularly places like Trincomalee harbour of Sri Lanka by extra-regional powers. In this context, Sri Lanka's relations with major powers in the 1980s provide for a clear case of devising an intent balancing strategy against possible interventionist threat from India. The ethnic issue which the nationalist leadership did not want to solve with political means had provided enough ground for India to justify its intervention in Sri Lanka at any point of time. Sri Lanka succeeded in getting both the West and China on its side and used international forums against Tamil militants and labelled the local issue as an international phenomenon which required the international community's assistance to overcome. The USA-Israel axis and China, Pakistan had obviously helped Sri Lanka militarily while UK, Japan and several other states had provided financial and trade assistance enabling its survival in the economic realm.

As is evident from India's intervention in the Northern conflict, it was not only the Tamil's political and human rights, but mainly India's open dislike of the way Sri Lanka responded to its NAM strategy, lack of respect for IOPZ, initiating forums which allowed great powers to use the Indian Ocean that provoked India, as its interests were not respected by the smaller power. Sri Lanka's leadership was mistaken for most of the part that the new international system under the UN, Breton Woods, Super Power rivalry, open market economy and other regional mechanisms and norms could be able to prevent India's forceful intervention in the country's internal affairs.

At first Sri Lanka devised a mechanism for countering India while denying the mediatory space for the regional power in the local Conflict. Sri Lanka's idealist understanding that

India would respect its borders despite the small state's unwillingness to respect India's strategic interests was proven wrong when India finally forcefully provided humanitarian aid meant for the people of the North. At this display of India's power, Sri Lanka had to subdue its resistance and agreed to its major concerns over the strategic interests. Later, the ILA was signed with the assurance given to India that Sri Lanka would respect India's hegemony and its strategic interests in the Indian Ocean.

As the study has observed, during the last decade of international bi-polarity, Sri Lanka tested external balancing vis a vis India to a larger extent, but failed at the end before the 'spectacular' hegemony of the regional power. Sri Lanka's realization that the extra-regional powers would commit themselves for the security and safeguard of the small state transcending the regional hegemony was proven largely wrong then. Therefore, this chapter concludes that the existence of sub-systemic spheres of influence in international politics has wider implications for small states, which cannot afford to make permanent alliances with major powers from other regions. Sri Lanka's calculations of its major allies like USA, UK, and even China could not do much in the face of India's powerful presence in the region of South Asia. Yet they were behind the small state with their own strategic concerns, but with less effect in the face of the regional power's presence. The next chapter will discuss how Sri Lanka entered the era of uni-polarity while, its domestic conflict got too much internationalised and human rights politics was testing its ability to become an independent and legitimate state.

As a small state the following points can be highlighted of Sri Lanka's behaviour during the period of discussion under this chapter.

1. Sri Lanka's willingness to seek help from stronger powers which could balance India (UK, USA, and China)
2. Willingness to support strategic designs of extra regional powers (UK's and US's security and strategic designs)
3. Willingness to receive military assistance to counter threats locally and internationally
4. Willingness to bypass regional security concerns
5. Willingness to be autonomous in actions

6. Daring to experiment with new friends like Israel despite international stigma
7. Open economy, democratic liberalism as tools to be in the capitalist bloc
8. Use of nonalignment as a pragmatic philosophy and foreign policy tool.
9. The lack of effectiveness of domestic opposition to change the foreign policy decisions

Theoretically, the behaviour of Sri Lanka in the 1980s seemed to have been shaped by bipolarity's conditions and within the major power competition for regional hegemony in the Indian Ocean. While the small state was prepared to gain from the major power contests for power in the region, simultaneously it failed to realize a major dynamic of power that two major powers would rarely confront against each other, particularly to save a small state, which has less strategic significance for their immediate interests.

Chapter 06

Effect of Unipolarity: Sri Lanka and Major Powers, 1990-2000

6.0. Introduction

This chapter studies Sri Lanka's external balancing strategy from 1990 to 2000, the first decade of the international unipolarity under the USA. The previous chapters examined how Sri Lanka attempted external balancing to prevent the threat of possible Indian intervention in the ethnic conflict in the 1980s. It was observed in the last chapter that there were clear attempts of intense external balancing in confronting India's 'interventionist'²⁶² approach, which were subdued after July 1987 with the signing of the Indo-Lanka Accord (ILA).

In the mid-eighties, India had emerged clearly as the regional 'superpower'. India used its military muscle on Sri Lanka under the pretext of carving out a permanent solution for an identity conscious ethnic strife in Sri Lanka. Previously, India had involved itself in giving an organizational shape to the violent activism of the Tamil militants against the Sri Lankan state in the early 1980s. India's covert strategy toward Sri Lanka made the small state seek extra regional assistance to balance against it. The post-ILA relationship was a landmark for Sri Lanka-India relations as the Indian Peace Keeping Force (IPKF) was stationed for keeping peace in the island, while Sri Lanka faced a huge domestic outcry against India's actions on the local issue.

The Liberation Tigers of Tamil Ealam (LTTE) the major exponent of violence for a separate state, and other militants temporarily agreed to establishing Provincial Councils (PCs) according to the ILA; but they did not cope with the IPKF, which then was turning into another fighting force against them, and had in many ways contributed towards the escalation of violence. However, in early 1990, the IPKF was withdrawn, while the war

²⁶² 'Interventionism' was the prism through which the nationalists as well as Marxist elements used to viewing India's approach toward Lanka's ethnic issue.

continued in the North-East. India's political solution for Sri Lanka's ethnic question, the PCs, was also being implemented amidst violence in both the South and the North-East of Sri Lanka. Likewise, in the two ends of the country two violent conflicts were raging in the latter part of the 1980s - the LTTE's separatist struggle in the North and the JVP's Marxist insurrection in the South. India's interventions and mediations through military and politico-diplomatic means were being resisted by both the JVP and the LTTE. The period from 1987 to 1990 was marred by enormous violence and blood-shed and the term *BheeshanaKale* (era of extreme terror leading to domestic anarchy) was often used by the opposition to refer to the regime under Premadasa (*see* Kloos 2001; Chandraprema 1991).

Within the backdrop of changes in the international polarity, Indian military intervention and local conflicts, this chapter examines whether Sri Lanka continued its balancing strategy or adopted other means to resist or make peace with India. Regional systemic influence and the international political change again became major variables against which the external policy of Sri Lanka is analysed in this chapter. Nevertheless, the analysis of this chapter is mainly confined to Sri Lanka's major power relations and its role within the International Organizations (IOs).

During the period of study, Sri Lanka had two governments under the United National Party (UNP) and Peoples Alliance (PA) led by the SLFP, and three Executive Presidents, R. Premadasa (1989-1993) and D.B. Wijetunga (1993-4) sharing one term in Office, and Chandrika Bandaranaike (1994-2000). Premadasa who was assassinated on the International Labour Day in 1993 (1st May) was a vociferous critic of India and had vowed to send off the IPKF immediately if he would be elected as President in the presidential election of 1988. At the death of Premadasa, D.B. Wijetunga, the Prime Minister of the UNP Government, assumed as the interim President and remained so until the next government was elected under the leadership Chandrika Bandaranaike in 1994.

Structure of the Chapter

This chapter consists of nine sections excluding the introduction and the conclusion. After the introduction, the second section describes the regional and global political structure in the era of unipolarity. The third section is devoted to an analysis of Sri Lanka's relations with major powers -USA, UK, EU, China, Japan, South Korea, and Russia - followed by the third section on Sri Lanka's relations with other states or regions, specially the Middle East and Pakistan. Also, in the fourth section, the chapter deals with the IOs and Sri Lanka's role in them; particularly regionalism under South Asian Association for Regional Cooperation (SAARC). The fifth section will review the policy and practice of non-alignment in the new context of regional and global realignments of power relations. Since terrorism in the domestic sphere began to continue from another round, the sixth section studies the attempts of Sri Lanka to curb international linkages of terrorism and separatism of Tamil militants. Subsequently, the seventh section analyses the economic dimension of small state's relations with major powers. The eighth section analyses Sri Lanka-India relations and the conclusions are given after this section.

6.1. Unipolarity and Realignment of Regional Power

The last decade of the twentieth century was special for its seemingly liberal character of global politics and economics, resulting certainly from the new distribution of global power after the collapse of USSR, and subsequently the rise of unipolarity under the USA (Krauthammer 1990). The US hegemony was foretold to be leading to an era of unrivalled global hegemony, the so-called end point of the ideological evolution of mankind (Fukuyama 1989 and 1992). Somehow, the new polarity brought a different age of global politics. The impact of this excessive power concentration in one great power would globally cause for realignment of foreign policies and rethinking of existing alliances, and, perhaps, recast of the balance of power politics in a new dimension. The theoretical and analytical responses to the 'unipolar moment' abound in IR literature (Layne 1993 and 2012; Waltz 1994; Wohlforth 1999; Huntington 1999; Ikenberry Mastanduno and Wohlforth 2009). However, the momentum of the 'unipolarity' lasted

less than a decade and the efforts of balancing, though soft or hard, were witnessed regionally, especially in Asian region with China's rise into regional power status (Walt 2006).

Responding to the unipolar moment in South Asia, India re-aligned with the USA and the West and displayed transformations of the economy into an open market system. The role that India was playing as the Third World leader seemed to be undergoing qualitative shifts in it; and it was clear that India too would embark on the path of becoming a great power regionally and internationally (Ganguly 2014, Vanaik 2008; Ladwig III 2008; Miller 2013).

Some argue that during the post-Cold War period, Sri Lanka's geo-strategic importance was diminishing while India was readjusting its strategic directions toward the USA. Meanwhile the regional power India wanted to see that Sri Lanka remained stable in order to avoid any negative 'externalities' resulting from instabilities in the small state; so for Orland (2011) 'India's interests in Sri Lanka shifted from geo-strategic power balancing to pragmatic security considerations' in the era of unipolarity (p.96). More importantly, India was reconsidering its non-alignment policy after 1990 and now it was siding with the USA, mainly in the political and economic frontiers.

The conditions that India imposed on Sri Lanka which led to the 1987 Indo-Lanka Agreement had wanted Sri Lanka to move away from the USA's strategic umbrella by not letting the great power to install VOA in Sri Lanka (Dixit 1998). Since India began to embark on a journey of building its economic muscle in the post-Cold War era, it required a 'secure and manoeuvrable environment' in the Indian Ocean region. Sri Lanka's greater cooperation with India was necessary for India to achieve its interests and it seems the post-Cold War presented the small state more opportunities in the regional political structure in this context.

In the unipolar world of rapid globalization countries realised that economics was ascending into the primacy in international relations. Responding to unipolarity India was

turning its closed economy into an open market economy and reconsidering economic regulations in many ways (Panagariya 2001). Sri Lanka, which had opened its economy way back in 1977 (De Mel 2008), therefore, realised the importance of giving the economic element the primacy. Yet, in the political sphere too, it required protection, because Sri Lanka was hugely vulnerable to international ‘pressure’ of normative politics with violations of human rights in the backdrop of an ongoing civil war in the country (De Silva 2006 99).²⁶³

By 1991 there was no USSR, but several independent or ‘liberalised states’, as some recognised them, which emerged in the Eastern European hemisphere. In the new context of the non-existence of one ideological bloc, the policy of non-alignment was being questioned of its relevance. According to Mrs Bandaranaike who was among the foremost believers of non-alignment during the peak years of Cold War, non-alignment was more relevant in the new era even though it was certain that the USSR would not ‘come up again’. The new changes and shifts in international and regional power structure certainly would compel the small states to rethink of their existing policies (Prys 2010; 2013).

6.2. Complex of War, Peace, and International Aid

This section briefs on the political and economic status of Sri Lanka during the period 1990-2000. The major issues that the small state continued to face in the last decade of the 20th Century could be summarised as war, peace and foreign aid. These three areas of local politics and economics set out the direction of the external policy in the post-1980s. The civil war continued up to the 21st century despite the political solution of devolution sponsored by India. The two governments during this period clearly wanted to achieve peace at any cost, but were not in a position to end the military operations completely as

²⁶³Sepalika de Silva (2006) in *Cultural Practices of Human Rights: An Anthropological Study of Human Rights in Sri Lanka* points out ‘donor countries used human rights to put pressure on Sri Lanka as the UNHRC and other INGOs on human rights focused on Sri Lanka after 1983’.

the LTTE had the practice of ‘buying time’²⁶⁴ for refurbishing and fighting back. During both Premadasa’s regime (1989-1993) and Chandrika Bandaranaike’s era from 1994-2000, the LTTE were tried with the strategy of ceasefires and negotiations. Nevertheless, the two parties had their objectives guarded secretly and could not come up with genuine peace plans. Premadasa assumed power at a time the entire state was engulfed itself in violence (Jayatillake 1995; Bandarage 2009). The Sinhalese nationalist and Marxist youth under the banner of JVP were fighting with slogans of anti-Indian ‘expansionism’²⁶⁵ while the LTTE were fighting the IPKF in the North. The military strength of the country was being tested by the JVP in the South with their second insurrection, but the IPKF’s presence could enable the state military to suppress the rural youth movement while the IPKF attempted to weaken the LTTE militarily.

At the end of Premadasa regime in 1993, when he was brutally killed in a bomb blast on the May Day of that year, the country’s international image had been tarnished severely due to enormous human rights violation by the state military, terrorists and counter-terrorist attacks led by various militant elements employed by the government. The number of deaths and abductions in South increased to nearly one hundred thousand during 1987-1990.

Implications of Global Economic Forces

The major shifts taken place in global economy due to the end of bi-polarity largely could lead the small nations to be reluctant in participation at the traditional alliances such as NAM, Commonwealth etc. Global economic integration through the emerging financial regime of IMF and World Bank certainly affected Sri Lanka and its consequences were widely debated in Parliament. The realization of the new economic reality by the law-making body of country came through the words uttered by some members who casually

²⁶⁴Both the LTTE and the Sri Lankan government accused each other of ‘buying time’ partly as its strategy to continue in war ; see, “Chandrika's 'Devolution Proposals' Sri Lanka's strategy to buy time & wage war”, *Tamil Monitor* edited by Ana Pararajasingham, October 1995 [Online web] URL: <http://tamilnation.co/conflictresolution/tamileelam/cbkproposals/95anapara.htm>. accessed 31/03/2016.

²⁶⁵In Sinhala they call it indiyanu “vyapthawaadaya”

put it in these lines: “They go to the IMF, they go to the World Bank for the simple reason that no third world country can develop by itself without external support”(Parliamentary Debates 62:3, 12 Jan 1990, col. 491). The terms and conditions of the global financial institutions determined the new economic fate for the small nations and Sri Lanka’s former Foreign Minister accepted that the “country had come to certain terms with the IMF and World Bank as every country did during the period” (*Ibid*).

Since 1977, except in the year 1984, Sri Lanka Central Bank (SLCB) data recorded trade deficits (CBR 1992). The export industries, primarily tea production, were not able to meet the expenses on the imports and the economy had to rely on foreign remittances and tourism industry and mostly on foreign aid and borrowing. With the collapse of the USSR newly independent Eastern European countries entered into the foray of borrowing from the World Bank. Sri Lanka had to look for other sources of financing, such as the ADB which was dominated by the funds of Japan(*Parliamentary Debates* 78:9, 06 May 1992, col.1326). Another major source financing government expenditure was the sale of several state-owned business ventures during this period. The opposition labelled the privatization of state assets as a ‘haphazard patchwork’ for economic slump, some of the industrial factories such as Thulhiriya Textile Mill, the Nylon 6 project and Ceylon Oxygen Company were privatized in this manner (*Ibid*).

Premadasa’s Foreign Policy, 1989-1993

R. Premadasa succeeded J.R. Jayewardene as President of Sri Lanka in 1989, a man who had vehemently opposed India’s role in Sri Lanka’s ethnic conflict. As he had promised to send the IPKF home within ‘twenty four hours of his coming into power’, it showed the new President wanted to make peace with the warring parties and approach the resolution of the conflict with a fresh start. Premadasa was facing a situation, metaphorically explained by Jayatilleke, of ‘a burning two pronged torch’, two simultaneous conflicts in both the North and the South. The LTTE were getting back to violence and the JVP in the South had started its second insurgency on the slogan that “Motherland or Death”. As the violence escalated all over the island, national security

faced its most intensified threat in post-independence history. In the meantime, the division in the UNP regime itself led to a no confidence motion against President Premadasa.

The first reference to the contours of the UNP's foreign policy under President Premadasa could be found in the UNP's election manifesto of 1988, and this manifesto was read in Parliament by A.H.M. Azwer. Accordingly, the UNP

... will continue to follow an independent foreign policy which is opposed to imperialism and colonialism in all their manifestations and which seeks to preserve and protect the sovereignty, unity, territorial integrity and freedom of Sri Lanka. We shall not permit any interference by foreign countries in our internal or external affairs or allow the independence or security of our country to be threatened in any way (*Parliamentary Debates* 76:11, 09 Dec 1991, col. 1528).

Parliamentarian A.H.M. Azwer viewed Premadasa's foreign policy as a "coherent one with a clear outlook, pragmatic and straightforward" (*Ibid*). As he explained there was "no hanky-panky with the UNP Government" and it treated all, 'small or big', equally and expected to have "cordial, friendly and brotherly relationships with everyone in this world" (*Ibid*). This statement conveys indirectly much about Premadasa's attitude toward India as a 'big' country.

Although such references to Premadasa's foreign policy could be found, he himself did not give much emphasis to the foreign policy in his speeches and even his party did not debate it much in Parliament either. The relatively short term he spent in office from 1989 to 1993 was fully dedicated to suppress the internal bloody struggles which almost made the state collapse and forced the government to use the most ruthless coercive measures to safeguard its power. However, Premadasa had given an outline of his external policy in one speech he made at a Convocation of BCIS Colombo on 11th November 1990, roughly after one year in power. He made five major points (as mentioned below) that the country would 'believe' in: 1. Friendship with all peace loving-countries; 2. Observance of the international rule of law; 3. The sovereignty and integrity of Sri Lanka as non-negotiable and must not be violated; 4. Assistance towards any development effort welcome but not at the sacrifice of independence or national

dignity; 5. Domestic government means involvement of the people in policy making (*Ibid*, 70:3, 24 Jan 1991, cols. 220-221).²⁶⁶

Premadasa's foreign policy underscored the 'smallness' of the country. As he pointed out Sri Lanka could not afford to be a major power by conventional measurements of size and strength. Yet, Premadasa's thinking of the concept of 'power' was different from the conventional understanding of the term, i.e., material capability alone could constitute power.

Yes, our philosophic heritage reminds us that power does not lie in size and strength alone. Attitudes that promote confrontations, controversy and conflict have brought our world misery and deprivation. We need to apply the **ethnics** (*sic*) of consultation, compromise and consensus if we are to have a plane built on justice, compassion and legality. ...Our values may not be able to reform world politics. But, we must not let the values of world politics reform us. ..It is from (*Ibid*, col.222).

Sri Lanka as a small country had to be unassuming in its behaviour naturally, for it was not as big as India or even Pakistan for that matter. That is why its attitude was different from that of big powers toward the idea of power and wished always for normative goals like 'world peace and harmony'. On the other hand, Sri Lanka's definition of the term 'power' always was indirectly targeting India's power resulting from its natural size and its will to become a great power.

National Security Fund

Military expenditure of the government was met in several ways. First the annual Defence Ministry allocation from the Budget as a direct expenditure from the Government income constituted the major part. The Government also had set a fund which was called National Security Fund, to which contributions could be made by the public. In addition, the Government amended the Defence Levy Bill in July 1992. Introducing the Amendment to this Bill Prime Minister D.B. Wijetunga said the "Government introduced the security tax of 1% from imported and locally produced

²⁶⁶Cited from the speech of A.H.M. Azwer (MP).

goods, banks, and finance and insurance services as an attempt to raise funds for the national security efforts” (*Ibid*, 79: 08, 07 July 1992). The following table depicts the expenditure of defence and arms imports by Sri Lanka since 1990. There is a gradual rise in the expenditure on expense after 1990.

Apart from the immeasurable ‘cost of lost human lives, maiming, and human misery’, the war had ravaged the local economy heavily. Richardson states through a study that “a conservative estimate of the total economic costs of conflict in Sri Lanka from ‘83-‘87 is about 144.3 billion rupees” (4.4 billion US \$) (cited in *Ibid*, 77:3, 23 Jan 1992, col. 319). Further he had mentioned some other figures in his study “Economic Costs of Political Conflict in Sri Lanka 1983-1988”: as per those statistics, a Tamil militant had cost Sri Lankan economy US \$ 58,000, while a Sinhalese soldier cost about US \$ 300,000.

Table 6: 1. Sri Lanka - Defense & Arms Trade (constant 1990 US \$)

	1990	2000	2010
Arms imports (constant 1990 US dollar) in Sri Lanka	20000000.0	280000000.0	5000000.0
Armed forces personnel; total in Sri Lanka	22000.0	203600.0	223100.0
Armed forces personnel (% of total labor force) in Sri Lanka	0.3	2.6	2.6
Military expenditure (current LCU) in Sri Lanka	6700000000.0	63308000000.0	155932000000.0
Military expenditure (% of GDP) in Sri Lanka	2.1	5.0	2.8
Military expenditure (% of central government expenditure) in Sri Lanka	8.5	21.9	

Source: World Bank Indicators - URL:<http://www.tradingeconomics.com/sri-lanka/arms-imports-constant-1990-us-dollar-wb-data.html> accessed 23/05/2016.

Military Commercial Complex

The civil war in the country was costing a staggering amount of money and turning to a human tragedy with the increasing number of deaths from the both sides to the conflict.

The opposition members in Parliament alleged that the government was marinating the armed conflict as a 'war' a term which was not fitting as a proper term to describe a civil conflict between two factions of a same territory. Minister Kingsly T Wickremarathna who viewed the 'war' between the government military and the Tamil militants as a 'big business' and the 'biggest job bank' because it employed the youth between 18-24 as soldiers, stated the following: "In simple language, the very survival of this government depends on this war. ...In fact, the government has never declared a state of civil war. As a result the very usage of the word 'war' is totally incorrect and misleading" (*Ibid*, 79:14, 23 July 1992, col. 1543). The opposition MP also has pointed out that the government was buying high-tech military equipment to fight an insurrection launched with low-tech weapons,

...we are buying hightech military hardware today to fight a low-tech insurrection. Today we are buying high-powered jet aircraft, tanks and other armoured vehicles. ...What are we going to achieve by this war? Are we going to drive all the Tamil people in the North into the sea? Can we do that? No. It is not possible because we must keep one thing in mind. On the other side, in Tamil Nadu there are over 60 million people. They would fight back us (*Ibid*, cols. 1543-4).

The Premadasa government was accused by the opposition for supplying arms for the LTTE. In order to show the displeasure of this alleged act of the government, the opposition wanted to bring a no confidence motion against the UNP Government. On 21 August 1992 the opposition presented the no-confidence motion in Parliament. Mrs Bandaranaike and several other senior members of the SLFP and other parties had signed this motion. The opposition brought this motion for two reasons: First, because the government had caused over one thousand citizens, who were supporters of political parties opposed to the Government, murdered by killer squads; second, the "government had provided supplied arms, ammunition, cement, military and other equipment and funds to the terrorist organisation known as the Liberation Tigers of Tamil Eelam..." (*Ibid*, 80:4, 21 Aug 1992, col. 431).

In reply to the acute allegations against the government that it had supplied arms and other materials that could be used to fortify the military capability of the LTTE, an MP had told a newspaper that the purpose of supplying arms was to use them to fight JVP

and other Tamil militants. The newspaper report went as follows which was read out in Parliament by Richard Pathirana, MP.

Ranil Wickremasinghe, Chairman of the House and Minister of Industries and Technology, addressing a UNP's meeting held in the Community Hall of Pethiyagoda in Kelaniya stated that the purpose of providing arms for the Organization of Tamil Tigers was to get them to suppress the Tamil National militants while Government military was kept available to fight the terrorism of JVP in the Southern region (*Ibid*, col. 435).

According to this report, the government had provided military equipment for the LTTE to keep them engaged in fighting the other military elements of the Tamils which also came to fight the Lankan military. In order to save its armed personnel from fighting two battles at two ends of the country, the government wanted to use the LTTE as proxy to keep the militants in the Northern areas under control while it fought the JVP militancy in the South.

Premadasa's and the LTTE

President Premadasa had a tactical alliance with the LTTE because he had to fight a 'two pronged war', one in the South against the JVP and the other in the North against the Tamil National Army (TNA). According to Parliamentarian Dr Wimal Wickremasinghe of UNP with this tactic the government had achieved two purposes -- elimination of the TNA and the elimination of the JVP. Premadasa regime believed that it would be able to negotiate with the LTTE if it agreed to the LTTE's conditions that the military be limited to barracks and their arms laid down. Some members in the opposition SLFP too appreciated the move of the government. For instance, Anura Bandaranaike, MP and National Organizer of the SLFP, stated the following in support of Premadasa's attempt at negotiating with the LTTE: "President Premadasa, in my view, is doing the right thing by talking to the LTTE. I think the President is right in that you cannot have any peace in the North and East to the exclusion of the LTTE" (*Ibid*, col.453). However, some believed that the negotiations with the LTTE had to be carried out 'only in the midst of fighting the LTTE militarily'.

President Premadasa had shown quite genuine interest to end the conflict which was seen with his action which was unprecedented during his predecessor, President Jayewardene.

Premadasa as per the decision of the Working Committee of the UNP in 1989, went on to implement following proposals with the aim of negotiating with the LTTE for a solution to conflict and win the trust of the JVP carders in the South as well: lifting the emergency existing for the last five years then, suspending the Prevention of Terrorism Act, ensure protection for JVP, grant an amnesty to all persons punished and detained and give redress to any political grievances.

International Concerns of War

Sri Lanka was under pressure from the international community due to the continuation of human rights violation during the regime of President Premadasa. Though Premadasa had lifted the Emergency Law after he was elected in 1988, he had to impose it once again as the violence escalated in both in the South and the North and East. Meanwhile the Army attempted to project the war as a low scale battle and did not violate human rights as such, but provided equal security for both Sinhalese and Tamils in the conflict areas. Major General Densil Kobbekaduwa had told *India Today* of 31st July 1992 that ‘it was a corporal’s war, a man-to-man fight and not war where large formations were moved in battle’ (cited in *ibid*, 80:3, 20 August 1992, col. 274). In early 1992, the government had to lift the ban on food supplies to the conflict zone in the North amidst international pressure on humanitarian grounds.

The period of Premadasa regime was notorious for its violations of fundamental freedom of people and civil society. In fact the war was conducted while the media was being brutally suppressed; a number of media personnel were killed and the media was controlled at the gun point during this period. Dinesh Gunawardene, MP of MEP, revealed that the all rights of the people of the country were violated under the Emergency Rule provisions by the Government; political parties were not allowed to conduct peaceful demonstrations, cartoonists were stabbed or beaten, even the *Reuters* reporters faced threats. Also government banned many functions where people gathered (*Ibid*).

The Opposition parties too had reacted to the violation of human rights in the country and they had attempted to internationalize the issue very often. Minister Ranil Wickremasinghe blamed the opposition that on the ground of human rights violations in the country the opposition parties had campaign abroad for preventing the donor countries from aiding Sri Lanka. As he explained ‘the donor countries and multinational agencies had canvassed on the false basis that there is violation of human rights, that there is no democracy in this country and that we do not allow free discussion and political activity’ (*Ibid*, 81:7, 23 October 1992, col. 740).

Tragedy of War Continues

The continuation of the ethnic conflict in the form of a civil war was an enormous burden on the economy and its human cost made it an unending tragedy. The LTTE was not willing to work within the framework of devolution introduced under Indo-Lanka Accord and they were always on the path of war. Also the Sinhalese nationalist believed that without militarily defeating the LTTE and other Tamil militants who came to fight government military it would not be possible to carry out any negotiation with them for a political solution. A Muslim political leader, Parliamentarian M.H.M. Ashraff, opined that the people too should fight the militant if peace was the target; he called it ‘a peaceful war by people’;

Already there is a war going on against the LTTE by our security forces. A peaceful war by the people in addition to the military offensive against the LTTE is the need of the hour.... (*Ibid*, 81:6, 22 October 1992, col. 613).

Though the elite conception of the military strategy was directed to militarily weaken the LTTE in order to bring them to negotiations, the major problem for the government was the cost of the war; it seems that the government was financing a war which was not an easy task to continue for a long period. An opposition member in parliament presented some facts which could well explain both the tragedy of the war which started in 1983. As mentioned in his speech from 1983 to 1992 the following numbers of dead and victims were reported under the given category.

These numbers are just a few but they explain the tragedy of the conflict in Sri Lanka spanning from 1983 onwards and well into the first decade of the 21st Century. During Premadasa's period LTTE regained its power and inflicted much damage on the military. The absence of the IPKF has been costly Sri Lanka. Nevertheless, the era of Premadasa is remembered for the immense intensity of violence that the country had ever experienced by then.

Table 6:2 Human Cost of Ethnic War, 1983-1992

Category	Number
Number of killed service and policemen	5,500
Number of killed civilians and terrorists	30,000
Limbless and legless servicemen	12,700
Service deserters	1298
Refugees in official camps in Sri Lanka	600,000
Refugees in friends' homes	200,000
Refugees in India and other countries	200,000
Refugees in south India	170,000
Refugees in south India in homes of people	50,000

Source: *Parliamentary Debates*, 81:6, 22 October 1992, col. 613.

PA in Power - War, Peace, and Economy 1994-2000

Chandrika Bandaranaike who received a record of 62.28 % of the vote cast²⁶⁷ came to power when the entire country had been terrified by terrorism unleashed in the North by the Tamil militancy and in South by the JVP insurrection and also by the state sponsored counter-terrorism which killed over 60,000 thousand Sinhalese youth by burning them on 'tyre pyres'. Therefore she approached the ethnic issue with a method of peace. More

²⁶⁷ See for all results in 1994 Presidential Elections; [online web] URL: <http://www.lankanewspapers.com/news/election/presidential1994.jsp> accessed 20/7/2016.

importantly she recognised the LTTE as the political representative of the Tamil people and appealed to them to enter the peace processes; and the “LTTE leadership also welcomed her as the Head of the State” (*Parliamentary Debates* 99:1, 06 April, 1995, col. 38).²⁶⁸

The People’s Alliance Government (PA) replaced the long-run UNP in August 1994 general election and in the Presidential election held in November 1994 Chandrika Bandaranaike Kumaratunga was elected as Executive President. From 1990-1994, the ethnic conflict had been fought with many ‘bitter’ battles and both the government and the LTTE had required a certain respite from violence. In this context, therefore, the offer by the government for peace talks without a cessation of violence was finally turned to a process of peace talks in the midst of a cessation of hostilities. The LTTE put pressure on the Government to cease military operations and ‘they unilaterally declared a week long ceasefire on 12 November 1994’, which was ‘a notable strategy of both parties when under military pressure’ (Sahadevan 2013: 127).

As cited in Parliament, *the Manifesto of the PA* in national election August 1994 mentioned the following as the basis of their stance on the ethnic conflict:

The PA believes that the ethnic question is one of the most complex problems of our country which needs an urgent solution. It is our conviction that without restoring peace through a political solution to the ethnic question, it would be impossible to achieve our goals of economic development, social progress and political stability. Having considered the magnitude of the loss of life and property and the challenges to the progress of the entire country, the PA affirms its commitment to taking every step necessary to find a solution to the ethnic problem in order to ensure peace to all communities(*Parliamentary Debates* 99:1, 06 April 1995, col. 37)

PA displayed in its manifesto that it differed from the UNP’s Sinhala-Buddhist nationalist agenda under Jayewardene. Its support base was mainly constituted by civil society elements which rose unitedly against the state-led terrorism during 1988-90 under the Premadasa regime.

²⁶⁸ Speech of Wiswa Warnapala Deputy Minister of Higher Education under President Chandrika Bandaranaike’s PA Government, 1994-2000

Meanwhile, Chandrika Bandaranaike's peace efforts were praised in India. She, as the President, visited India in March 1995. *The Hindu* in its editorial said that the new government of Sri Lanka had received 'a mandate for peace efforts'. Further the editorial went on to say that;

The Sri Lankan President has received a massive mandate for her peace efforts, and she is widely regarded in her country as the first non-chauvinistic Sinhala leader and thereby possibly representing the Island's last chance for peace (*The Hindu* 30th March 1995).

In order to win the trust of the Tamil community and the LTTE, Chandrika Bandaranaike's government took several measures which could ease the difficulties undergone by the people of the North and the East. First, the government lifted an embargo on 28 items which had been banned from the South to the conflict zone. The government also prepared a programme of rehabilitation at a cost of Rupees 39 billion. Minister Warnapala mentioned in Parliament that 'the massive programme indicated the desire of the new government for peace, and commitment to the development' of the North and East region (*Ibid*). The Government wanted to implement this program through a special authority called 'North-East Development Authority' and expected the LTTE to be a part in its implementation (*Ibid*). Further, Minister Warnapala stated in parliament that the new government was ready to walk a longer distance in search of a peaceful settlement though, as he mentioned, "Peace is very expensive thing" (*Ibid*).

The PA government under Chandrika Bandaranaike trusted that India would assist it in its endeavours for a negotiated solution for the conflict, as well as for economic development. Warnapala expressed on behalf of the government that always the government had "considered the importance of its relations with India and its neighbours" (*Ibid*). According to him the foreign policy needs to be used as an instrument of economic development and "the President was making use of the foreign policy to achieve both political and economic objectives" (*Ibid*).

PA's Peace Effort with LTTE

President Chandrika Bandaranaike's first term in office ran from November 1994 to 2000. Her first phase in Office was marked by peace initiatives which received the civil

society backing for ending violence on the Tamils and those who were really caught in the conflict. She started her tenure by inviting the Tamil Tigers for peace negotiations and carried out a strategy of winning the confidence of the Tamil society. She signed an agreement of cessation of hostilities with the LTTE Chief Prabhakaran in January 1995, which was in force since 8 January 1995 (Sahadevan 2013:127). In another instance the limit on the distance that the fishermen could travel for fishing in sea was also relaxed. Her peace initiative was supported by six committees for its operationalization. The committees for peace monitoring included representatives from the government, the LTTE and foreign countries – Canada, Netherlands and Norway - and International Humanitarian Agencies – ICRC. Deputy Minister of Defence, Anurudda Ratwatte stated that the ‘Government had showed unmistakable resolve to get to grips with the core issues of the burning problem’ (*Ibid*, 99:3, 12 May 1995, col. 145). Yet, according to him the LTTE “did not allow reconstruction and rehabilitation work to begin in areas under their control” (*Ibid*, col. 146).

Meanwhile the LTTE was ‘relentless’ in imposing conditions for participating in peace talks. The Government had three rounds of talks by April 1995. In the third round of the talks with the LTTE, the government agreed to open the Elephant Pass road and move the Pooneryn camp by a distance of 600 meters backward. The fourth round of talks was scheduled on 10th March 1995 and the government had agreed to extend the distance of travelling in sea for fishing. Yet, the government and the LTTE could not enter into a particular agreement on any political settlement (*Ibid*, 99:1, 6 April 1995, col. 40). In 2000, Chandrika’s government attempted to introduce a new constitution, “a package of political proposals designed to address the phenomenon of power-sharing” (*Ibid*, 99:3, 12 May 1995, col. 146) which had addressed some of the traditional demands of the Tamil community for a meaningful devolution and separation of powers, but it faced stiff resistance from the opposition and was not adopted by parliament.

The Budget proposals presented in November 1995 for the financial year of 1996 included a discussion on the Peace effort of the government. Finance Minister G. L. Peiris took much pain to explain that government was taking a meaningful course of action to resolve the much perplexed violent conflict of the country. At one point in the

Budget speech the Minister stated that Sri Lanka had been able to win the international opinion on the ethnic conflict and human rights in favour of the government (*Ibid*, 102:1, 08 Nov 1995, col. 20). According to him the image of Sri Lanka had been tarnished since the previous government was insensitive to the issues of ethnic minority and human rights. However, as he said, the world community now had expressed their satisfaction and keen interest over his government's policy on the ethnic conflict; at the same time the world community also had assisted the government's efforts to save the country from the threats of the country being divided and terrorism (*Ibid*). So he argued that in the Paris Aid Conference Sri Lanka has received an amount of US\$ 843 as aid, particularly because of the international recognition of the government's peace plan and etc.

In contrary to the government's analysis of its achievements in regard to the peace making and winning the international community's cooperation for both the war and peace efforts, the opposition criticised that the government was making efforts to keep the flow of international aid and therefore did not include a defence budget but later on it was introduced as a supplementary one.

When this Budget was presented there were peace proposals that had been put forward in order to end the ethnic conflict. And it was said that if you add to the Defence Vote and increase your military expenditure your peace proposals will not be taken seriously by those to whom they are addressed. And, therefore, the Defence Vote was reduced, and was kept low in order to assist in the peace process. Thereafter, when the peace proposals failed one had to come with a Supplementary estimate in June in order to see that the monies required were obtained (*Ibid*, 102:5, 14 Nov 1995, col. 739).²⁶⁹

The questions of war and peace went hand in hand in the decade of 1990s and the government of Chandrika Bandaranaike was in dilemma of continuing a war with a bankrupt economy which completely was financed by the West and countries like Japan for its budget deficit and development programmes. The West, Europe mainly, as a normative community which mostly used human right as criteria to decide on international cooperation, was keen to see that Sri Lanka went ahead with peace-making

²⁶⁹From the speech of Bernard Zoysa, MP.

and the government in order to keep the international aid uninterrupted used 'peace' as a pretext or a tool to obtain aid mostly.

While the PA government announced an increase of tax on certain imports and expected to provide 'protection' and 'generate revenue to government', it also realised the global economic and financial trends that shaped the small state's economy and was prepared to work together with them:

We have almost heard and finished about the GATT, liberal world trade policy. Also we have heard about Clinton's agreement on liberal trade, including Canada, Mexico and the States. So we in this country have the Open Economy. So therefore we have to follow the world trends. The world trends are for a liberal trade policy (*Ibid*).

It was increasingly evident that the post-1990s Sri Lanka was tied to the international financial and trade regimes. Economic resilience remained low for the small state, and it required 'international economic cooperation' increasingly. The year 1994 marked the end of one of the longest period of rule under one party in Sri Lanka, the UNP, which had ruled since 1977. That period of UNP government had three Executive Presidents for 17 years. As discussed already, Sri Lanka was engulfed with ethnic violence after 1983 and there was a period of 'extreme terror' after that year. Therefore, in 1994 a new alliance under the leadership SLFP was formed to end an era of 'bloody violence' in the country. Mrs Chandrika Bandaranaike Kumaratunga was elected the Executive President in November 1994 and she had a different vision on ethnic question and foreign affairs. On the economic front too she wanted to provide a 'human face' to the capitalist market economy introduced in 1977 and had been criticised for its ills that equally contributed for deepening of the issues and poverty and ethnic strife.

Challenges abounds while war returns

Deputy Minister of Defence charged that the LTTE 'terminated the cessation of hostilities at midnight on 18/19th April 1995. The LTTE, within four hours of announcing a sudden notice of the retreat to violence, attacked the Navy vessel in Trincomalee harbour and killed eleven seamen. Thus, the brief period of cessation of hostilities since January 1995 was over and the two parties again was on the path of war.

A major challenge that the Government faced in 1990s was the record of human rights which was a concern for the West in providing aid for Sri Lanka. The Government considered all such accusations against the violations of human rights under the War's circumstances as 'anti-national' activities done by forces against the Government (*Ibid*). The years 1987–90 saw an almost complete breakdown of Sri Lankan society. The Sri Lankan government had to cope with Tamil secessionist movement, fought in the north by the IPKF in Sri Lanka, and with the (second) JVP insurrection among the Sinhala in the south. Official and unofficial government violence, LTTE and JVP violence, and violence perpetrated to settle private quarrels or for material gain became indistinguishable: it was no longer quite clear who killed whom and for what reason (Kloos 2001: 189). Sri Lanka entered the era of 1990s as a nation plagued by extreme violence. The challenge before the Governments and the citizen alike was immense in order to frame a peaceful way of solving issues (Rotberg 1999; Senaratna 1997; Steenkamp 2014). In this backdrop of Sri Lanka's domestic and international challenges in the 1990s, the next section discusses Sri Lanka's relations with India.

6: 2 Sri Lanka's Relations with India, 1990-2000

This section deals with Sri Lanka's relations with India mainly in diplomatic, political, military and economic spheres of relations from 1990 to 2000. The chapter analyses the developments of relations with India in the post-Cold War context, an era in which Sri Lanka was just emerging out of the domestic political instability caused by the rebellion of the JVP in the South in the last few years of the 1980s. And also in the North and East regions the war has continued but much with the involvement of the IPKF against the LTTE and other Tamil militants. The period begins when the IPKF was withdrawn by India at the request of Sri Lanka.

Relations with India, 1990-1994

The year 1990 marked the withdrawal of the last contingent of the IPKF from Sri Lanka, a process which began in 1989 by Indian Prime Minister V.P. Singh at the request of Sri Lanka President R. Premadasa (Ray 2011: 518). President Premadasa had insisted that he would 'send the off' the IPKF once he was elected President. In January 1989 he became President at a time when the entire state was on the brink of collapse. The southern region of the country was experiencing an insurgency, while the northern region's struggle for a separate state had continued despite India's mediation in designing a peaceful solution of power sharing through Provincial Councils. The IPKF was stationed in the north and the number was close to 100,000. They had agreed to take the commands from the Commander in Chief of Military, the Executive President of Sri Lanka, but the Indian army functioned according to commands from India. Virtually the entire state was under occupation by India, the LTTE and the JVP, both local and foreign forces. The states could not think of the issues of sovereignty in any meaningful way. Premadasa, as a critic of India's hegemonic approach to Sri Lanka, had always opposed the ISLA as well as IPKF's presence as discussed in the chapter 5. After 1989 it was alleged that the regime of Premadasa followed deviant tactics of using the LTTE to fight the IPKF (Ray 2011:518). J.N. Dixit who was behind the making of ISLA in 1987 has told in an interview that Premadasa and Lalith Athulathmudali had violated the Accord.²⁷⁰ It seems that Indian leaders had a negative attitude of the UNP leader who vehemently protested the Accord and even had boycotted the signing ceremony in 1987. The UNP's attitude toward IPKF was commented in Parliament by the opposition. It was the UNP which had 'invited them (IPKF), nurtured them' but when it came to the term of President Premadasa he wanted 'send them out' (*Parliamentary Debates* 70:3, 24 Jan 1991, col. 214).

²⁷⁰ See for an interview with J.N. Dixit, in "India's Vietnam, The IPKF in Sri Lanka: 10 years on", [Online Web] URL: <http://in.rediff.com/news/2000/mar/24lanka.htm>), accessed 20/7/2016.

Uneasiness with India under Premadasa

Even after the withdrawal the IPKF President Premadasa habitually criticised India's role in the late 1980s. At one instance in 1992 India protested a report of a speech made by President Premadasa on the arrival of the IPKF according to the Indo-Lanka Agreement. Sri Lanka had to correct the report and the Government denied that the President had made any references to the IPKF as such. In order to prove the innocence of the government it had to bring in evidence that UNP had appreciated India's mediation in Sri Lanka. Accordingly, the UNP's election manifesto was quoted in Parliament in order to prove that the UNP had not maliciously stated anything against the IPKF.

The Indo-Sri Lanka Accord was signed to obtain India's assistance to restore peace and order in the North and East. In the process we succeeded in strengthening our good relations with India. It put our relations with her on a firm footing. We will build upon its positive achievements through dialogue and reciprocity (*Parliamentary Debates*, 78:10, 08 May 1992, col. 1637).

India did not allow Sri Lanka to make any malicious comments on its commitment on the IPKF and naturally was adding pressure on the Premadasa's regime to hibernate its aggression toward it for its intervention on the ethnic issue. It was this dimension of the relations between the two countries which often caused obscurity during the UNP's last regime which remained in power up to 1994, until the SLFP led coalition acquired power in 1994 under the leadership of Mrs Chandrika Bandaranaike, the daughter of late Mr and Mrs Bandaranaike who were long-time friends of India.

Premadasa's record of relations with India after 1977 is replete with confrontations with the regional power. Bradman Weerakoon, long time Secretary to almost all Prime Ministers in Sri Lanka during the twentieth century, attempted to show that Premadasa who was an ardent critic of India had a great faith in Buddhism, 'the greatest gift ever from India' according to the Buddhist majority of the land. He wrote in his book, *Premadasa of Sri Lanka*, the following

He had himself been several times to India and felt completely at home visiting places of Buddhist worship in the North, Hindu temples in the South and the shrines of the Muslim saints, India is Sri Lanka's only neighbour and a large and powerful one at that, and it has to be treated with circumspection at all times and Premadasa a student of history knew that past had not always been without problems (Weerakoon 1992).

Premadasa's poor record of relations with India could not be overshadowed by his great faith in Buddhism during his brief tenure in the Office. And we have discussed that aspect here. Also the nationalist elite perception of India always remained suspicious of the great power as pointed out elsewhere in this thesis. Premadasa and his regime were not devoid of this perception, and in fact his interpretation of Indian intervention in the ethnic problem conformed to such thinking. Therefore, Sinhalese nationalist politicians made it a point to accuse India for its manoeuvring of the LTTE. India's assistance for the LTTE was still the topic in Sri Lanka's parliament by the July 1990.

It also believed the military training, and safe sanctuary provided by India for the LTTE was in breach of the long standing cultural and friendly relations between the two nations. Further the members viewed that the signing of Indo-Lanka Accord and the arrival of IPKF too were not wanted by Sri Lanka. The agreement was arbitrarily signed and India should not have done that to a small country like Sri Lanka (*Parliamentary Debates*, 65:8, 17 July 1990, col. 1171).

Sinhalese parliamentarians also believed that Tamil Parliamentarians of Sri Lanka had close relations with India and they conspired against Sri Lanka while dealing with India. Likewise, at the early part of 1990s, there still existed a huge misunderstanding about India and its role in the ethnic conflict in the Sinhalese society which was reflected in the speeches made by the Parliamentarians. Measures were taken to address this gap in the relations between the two countries and it was realised by the leadership of the new Government the UNP under President Premadasa that India was critical for peace and its decisions to link with the world.

In the meantime, a Parliamentary delegation visited India in July 1990 to explain the "true facts against the false propaganda" on the country's situation during the period. The delegation had the "opportunity to present its case and understand the attitudes and concerns of the Indian parties" (*Ibid*, 65:14, 09 Aug 1990, col. 1958). This was the first instance that parliament to parliament contacts between the two nations occurred.

Locally there was greater concern about uneasy relations with India during the Premadasa period. Harold Herath, Minister of Foreign Affairs replied to some of the references made by the opposition to the 'strained relations between Sri Lanka and India on the issue of the Sixth Summit of SAARC which was not held as scheduled but postponed to 21st

December as one-day Conference. As he explained the relations had a period of 'unhappiness' as India were behind the LTTE. But he told Sri Lanka should think of the 'present' and 'future' prospects of relations between the two countries.

We as a sovereign country cannot say we were watching very happily when we had terrorist groups being trained in South India in terrorist camps, when arms were given to terrorists, when funds were given to terrorists and when the laws of international air-space were in flagrantly violated by India. Nobody can say that Sri Lanka was happy about the events that took place at that time. These are all things of the past. We should think of the present and the future (*Ibid.* 76:11, 09 Dec 1991, col. 1568).

The UNP Government did not deny of its unwillingness to accept India's hegemonic display of the use of force or threat on Sri Lanka. Somehow under the government of Narasimha Rao relations were again improving between the countries. According to the assessment of then Foreign Affairs Minister of Sri Lanka, Harold Herath, Sri Lanka had certainly improved relations with India with the change of Government there;

Our relations are absolutely cordial, friendly, and augers well for the future of both our countries...We have cooperated with India...notably in several fields. We have assisted Indian Government in their investigations into the assassination of late Prime Minister, Mr Rajiv Gandhi (*Ibid*, col, 1569).

Also there was the general perception among most of the Parliamentarians that the relations between India and Sri Lanka required positive revisions since they felt it was necessary for redirecting the country's foreign policy. Therefore they argued that sending off the IPKF with urgent deadlines would not have done much for creating satisfactory relations between the two nations (*Ibid*, 62:3, 12 January 1990, col. 528). Indo-Lanka relations also featured a third party, the Tamil Nadu Government, and without the consent of them also the resolutions were not possible, particularly the case of India's withdrawal of the IPKF (*Ibid*, col. 529). As the MPs of the opposition felt the Government had to face such a dire situation with India because it had many 'weaknesses'. Therefore, they felt it was better to mend relations with India for avoiding obstacles from the Madras Government.

Small Country-Big Neighbour Reality

Sri Lanka's destiny to live in the immediate neighbourhood of India has been seen from 'a big country - small neighbour' perspective very often. The following quotation was

read out in Parliament by A.H.M. Ashraff at the debate of Ministry of Foreign Affairs Budget in December 1991. He mentioned that the article was found in *Wider* magazine:

Sri Lanka's giant neighbour, the sub-continent of India, also belongs to the Third World and in a practical physical sense constitutes Sri Lanka's immediate external world and for better or for worse, for richer or poorer Sri Lanka is destined to live with India as its neighbour. Physically India is the seventh largest country in the world. Sri Lanka is the 111th country in the world. In population India ranks second after China. Sri Lanka ranks 44th. One out of every six people on the earth (*Ibid*, col. 1545).

The asymmetrical power relation derived from sheer difference in the quantitative dimensions of elements of power is reiterated in the above analysis. Yet, the foreign policy analysts and veterans of diplomatic service in Sri Lanka point out that the leadership of many Governments expected the 'equality' in relations and treatment from India.

Despite its weak power, Premadasa opined that Sri Lanka had to shed all its 'sentimental attachments to the world of yesterday' and 'must not be victims of obsolete thinking of bygone days' (*The Island*, 9 December 1991). Sri Lanka needed to face the reality of 'unipolar world' and it seems he argued in favour of realigning its external policy in face of the new political and economic reality. For this to be achieved Sri Lanka had to pursue democracy at the domestic front and support freedom abroad (*Ibid*). *The Island's* report of Premadasa's speech on foreign policy at BCIS Colombo on 08th December 1991 in the context of India's boycott of SAARC Summit and its subsequent postponement insisted 'learning from the past' and 'stand firm' in future.

Let those who threaten or those who try to betray us know this. Whatever the cost we will not sell our country to anyone. Our independence may upset some. Our integrity may upset others. But we will stand firm. The people of Sri Lanka will never tolerate betrayal of our country. Organizations of countries will work well when the sovereign equality of each member is recognised by all members (*Parliamentary Debates*, 76:11, 09 Dec 1991, col. 1550.).

Premadasa's articulation of the external policy was coloured with nationalist pride and sentiments most often. One major feature of his thinking on India was the absence of a holistic reading of regional political and economic reality shaped through structural powers.

Relations with India, 1994-2000

After 1994 Sri Lanka-India relations began to improve under the PA. First, the governments of Sri Lanka, India, and the UNHCR jointly worked to bring back the Sri Lanka's refugees in South India in 1994. As mentioned by Minister of Reconstruction, Rehabilitation and Social Welfare in Parliament, the government had planned to bring back 5500 refugees who had agreed to return (*Ibid*, 93:9, 7 June 1994, col. 1105). The visit of President Chandrika Bandaranaike to India in March 1995 further caused for the strengthening of the relations; and the editorial of *The Hindu* on 31st March 1995 talked about the achievements of the bi-lateral discussions. Accordingly, India would extend tariff concession to Sri Lanka for some specific export items. Also India agreed to provide 'a credit of \$ 30 million to trade and economic exchanges' (*The Hindu*, 31st March 1995). Sri Lanka's imports from India increased manifold since 1990, but there was more scope further expansion of trade between the two countries. India also looked for investment opportunities in the small neighbour. Both countries 'accorded high priority for effective regional cooperation' and 'agreed on the need of early operationalization of SAPTA'. Among the issues Sri Lankan delegation headed by President Chandrika discussed with Indian government included 'the issue of fishermen and the need for cooperation in the repatriation of the Sri Lankan refugees in India' (*Parliamentary Debates*, 93:9, 6 April 1995, col. 39).

India's Role Appreciated

Unlike the previous UNP regimes which certainly had failed to give due credence for the role of India for regional security and peace, the PA government under Chandrika Bandaranaike went ahead and attempted to be close to the regional power. After the government initiated the peace talks and took several measures to find a political solution despite the LTTE's stubbornness to stick to military strategy, according to the government the international arena was becoming favourable for Sri Lanka. As Deputy Defence Minister hyperbolically expressed "...great nations have now come round and overcome their misconceptions in the past about Sri Lanka's culpability" (*sic*) (*Ibid*, 99:3,

12 May 1995, col. 174). As a small nation whose image had been greatly tarnished during the regime of Premadasa for unimaginable scale of human rights violations by a civilized country, Sri Lanka now was grateful to the international community for siding with the government. However, Sri Lanka particularly appreciated India. The Deputy Foreign Minister expressed his Government's gratitude to India and its Premier: "I do not wish to single out countries, but I will be failing in my duties if I do not single out India and its celebrated Prime Minister, Mr Narasimha Rao, for the support in favour of our peace process" (*Ibid*, col. 174). Further, Sri Lanka sought;

...the support in favour of our peace process. We seek the support of the foreign nations to dismantle LTTE headquarters in their countries which have been a great source of strength to the enemy. The response by the International Community to our President's praiseworthy efforts to achieve peace have apparently riled the LTTE (*Ibid*).

It should be clear that Sri Lanka was not in position to take a strong stance for military strategy for its own capability was less and on the other hand it had to face the international community which sought Sri Lanka to behave democratically as a member of the UN. Therefore, Sri Lanka was choosing a combined approach of deliberately making peace with LTTE and attempting to isolate them internationally by exposing their military mindedness despite availability of peaceful means to achieve their objectives. As for the Government the LTTE was mindful of the international community's concern in sustaining the peace process in Sri Lanka (*Ibid*).

In many ways the Indo-Sri Lanka Accord (ISLA) came to be criticised for it had led to transform the structure of the state according to nationalist. Yet, from a military point of view the accord had helped Sri Lanka to sustain the war for long since the IPKF was engaged in the battle as well, and India did not provide assistance to LTTE after the accord. Opposition Leader Ranil Wickremasingha said that "...in fairness to Indian Government, they never gave it (**weapons**) and after the Indo-Lanka Agreement was signed and thereafter the two Governments were able to ensure that no missiles came into Sri Lanka and that was the situation up to August 1994" (*Ibid*, col. 188). India's changed role towards the ethnic conflict had added new dimension to Sri Lanka-India relations which was heading towards direction of free trade.

India-Sri Lanka Free Trade Agreement, 1998

Sri Lanka and India signed a free trade agreement on 28th December 1998 to “establish a Free Trade Area in accordance with the provisions of this Agreement and in conformity with relevant provisions of the General Agreement on Tariff and Trade, 1994” (Article 01 ISFTA 1998). This agreement was in effect since 2000. The objectives of this agreement were as follows:

- i. To promote through the expansion of trade the harmonious development of the economic relations between India and Sri Lanka.
- ii. To provide fair conditions of competition for trade between India and Sri Lanka
- iii. In the implementation of this Agreement the Contracting Parties shall pay due regard to the principle of reciprocity
- iv. To contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade.²⁷¹

In general, Indo-Lanka relations in the since the mid-1990s tended much to explore the possibility of improving trade between the two countries. While Sri Lanka had always suffered an imbalance of trade since it had more imports than exports to Sri Lanka it seemed the small state expected more tax concessions and investments from India. The press release made after the Indo-Lanka trade agreement was signed stated the following:

The Free Trade Agreement is expected to boost the bilateral trade between India and Sri Lanka and also consolidate the close economic, commercial and political relations between the two countries through increased trade and investments. As of now, India is one of the largest exporters to Sri Lanka and the trade balance is heavily in favour of India.²⁷²

The new directions of the relations between the two asymmetrical powers and economies were laid along the path of trade and investment according to free market principles and relaxed terms of tax and other regulations of trade. Analysts show that the trade relations of India and Sri Lanka after 1991 have largely improved lessening the trade imbalance

²⁷¹ Freed Trade Agreement between the Republic of India and the Democratic Socialist Republic of Sri Lanka, [Online Web] URL: http://commerce.nic.in/trade/international_ta_indsl_1.asp accessed 20/7/2016.

²⁷² “India-Sri Lanka FTA”, Press releases, [Online Web] URL:

http://commerce.nic.in/trade/international_ta_indsl_6.asp accessed 20/7/2016.

between the two countries. Particularly, data of trade after the signing of Indo-Lanka Free Trade Agreement speak much of this improvement (*see* Table 6: 1 below).

Table 6:3, Sri Lanka-India Trade, 1998-2002

Year	Imports (Rs Mn)	Exports (Rs Mn)	Trade Balance (Rs Mn)	Import/Export Ratio
1998	35837.7	2279.4	33558.3	16:1
1999	36012.9	3320.3	32692.6	11:1
2000	45471.1	4217.3	41259.8	11:1
2001	53750.0	6265.7	47484.3	8.6:1
2002	79847.1	16152.9	63694.2	5:1

Source: Sri Lanka, Customs, 2003 cited in (Pan 2009: 494)

In general Sri Lanka's exports have increased to all countries after 1990 (*see* Figure 6: 1). Nevertheless, ILFTA was a success for a certain degree as it has enabled Sri Lanka to take a step forward in improving its exports to India. Nevertheless, the agreement was not totally a 'free trade' agreement since it included a negative list of items showing the protective nature of the two markets. An in-depth study of the ILFTA done by some scholars concludes that ILFTA is not a free trade agreement as per the theoretical meaning of the term free trade (Mukherji, Jayawardhana, and Kelegama, no date).²⁷³

Figure 6: 1, Exports of Sri Lanka, 1980-2006



Source: IMF, Direction of Trade cited in Weerakoon and Thennakoon (2006)

²⁷³ See [online web] URL; http://saneinetwork.net/Files/03_02.pdf accessed 23/4/2016.

As the critics argued the ISLFTA had done less to free imports to India in some goods. Therefore, they argued that the agreement was not contributing to free the trade between two countries. They questioned the inclusion of negative list in the Agreement.

In case of ILFTA, the presence of a “negative list” for both the countries points to the protective nature of the Agreement, inasmuch as nearly one-tenth of India’s imports and more than one-third of India’s exports are preempted from trade liberalization. Unless a time frame is set for removal of items from the negative list, ILFTA as a “Free Trade Agreement” as the term is generally understood, would remain a mirage (Mukherji, Jayawardhana, and Kelegama, no date).

However, from a perspective of development of positive relations between the two countries, ISLFTA was a major milestone. The increasing investments by Indian investors in Sri Lanka even during the conflict would compel India to support Sri Lanka in its peace efforts. Therefore, Sri Lanka’s consent to sign a free trade agreement with its giant neighbor had reasons behind its national security agenda in the 1990s. This argument is supported by analysts of India’s free trade policy after 1990. They argue that there is a positive core relation between economic growth and national security. In fact ‘economic growth’ alone stands for national security according to them and therefore they advised India to improve its trade relations with its neighbourhood and the world.

Today the economic and political issues should not be considered in a sectoral way. Every foreign policy has two core goals- national security and economic betterment. The Indian foreign policy is also based on these two principles in today’s global world. Indian national security today is based on its economic growth. India’s economic growth in itself holds the key to India’s global profile and power, its strategic role and relevance and its national security. India’s economic policy can be an instrument of policy security (Roy 2010: 243).

While the strategic ambition of India’s free trade with the neighbours was national security through economic growth, Sri Lanka too benefited from the ‘deepening’ of relations (with India as a part of strategy to keep India satisfied while it wanted autonomy to settle domestic issues).

Defence Relations with India

Basically India provided training for Sri Lankan military in its military academic centers. Apart from that India refrained from supplying military equipment to Sri Lanka during this period. In April and May 2000 the Sri Lankan military faced a setback in the

Northern peninsula when a large contingent of army had been trapped by the LTTE which had then ‘overran’ one of the ‘strategically significant’ military bases, Elephant Pass (Richards 2014: pp. 23-29).²⁷⁴ With this victory for the LTTE, there was a grave threat that they would capture the entire peninsula where around 40,000 armed personnel were stationed by the government (Prys 2012: 163). Since Sri Lanka could not afford to deal with the situation it appealed to the international community for assistance at the critical hour (ibid). Sri Lanka requested India to mediate in the situation in May 2000 in order to evacuate the trapped army personnel. However, “the NDA government led by Prime Minister A.B. Vajpayee flatly refused to militarily intervene” at this juncture because India had experiences with the failed mediatory efforts of the IPKF about ten years ago (Jain 2010: 102). India continued its “hands-off policy” with Sri Lanka’s violent conflict and again Sri Lanka was compelled to seek Chinese assistance which was readily available for Sri Lanka very often (Jain 2010; Prys 2012).

Sri Lanka Army Spokesman Brigadier Ruwan Wanigasuriya speaking to the *Xinhua* news agency on 14 August 2013 also confirmed that though Sri Lanka’s military received training in India, Sri Lanka never purchased arms from India during or after the war. He further told that Sri Lanka appreciates “the strong ties” it had “with India on a military level” which had grown “stronger in recent times”.²⁷⁵ As it is clear, in the 1990s, particularly in the post-IPKF phase, India had lessened its military cooperation with Sri Lanka when it has mostly wanted it from the regional power.

The next section deals with Sri Lanka’s relations with major powers, USA, UK, China and Russia with the aim of analyzing how and in what ways Sri Lanka was associated with the extra-regional powers in an era when India had resolved to be away from the

²⁷⁴ See Joanne Richards (2014) *An Institutional History of the Liberation Tigers of Tamil Eelam(LTTE)*, working paper, pp.23-29,[online web] URL: <https://www.sem.admin.ch/dam/data/sem/internationales/herkunftslander/asien-nahost/lka/LKA-geschichte-ltte-e.pdf>, accessed 20/7/2016.

²⁷⁵ See, article titled “Sri Lanka says does not get Indian weapons” published in *Xinhua neton* 2013-08-14 [Online web] URL: http://news.xinhuanet.com/english/world/2013-08/14/c_132630589.htm accessed 20/7/2016.

ethnic conflict of Sri Lanka with its experience of IPKF and also let the small state experiment with peace initiatives with the Tamil militants.

6.3. Relations with Major Powers, 1990-2000

In this section Sri Lanka's relations with UAS, UK, EU, Russia, and China are the major concerns. Furthermore, Sri Lanka's relations with South Korea and Japan are also briefly looked at since those countries had a bigger stake in investments and foreign aid to Sri Lanka increasingly after 1990.

6.3.1. Sri Lanka-USA, 1990-2000

Some argue that the Cold War's end resulted in 'waning interest of the USA' in Sri Lanka (Lunstead 2007:5). Similarly, the US in the 1990s had not been concerned much with strategic significance of Sri Lanka and the Indian Ocean even though China and India had invested much on that since they were in the 'Great Game' of securing sea routes for trade and energy supply.

Sri Lanka's strategic importance to the United States, China, and India is viewed by some as a key piece in a larger geopolitical dynamic, what has been referred to as a new "Great Game." While all three countries share an interest in securing maritime trade routes, the United States has invested relatively few economic and security resources in Sri Lanka, preferring to focus instead on the political environment. Sri Lanka's geostrategic importance to American interests has been neglected as a result.²⁷⁶

Regarding Sri Lanka, during the bipolarity USA feared that the island state would fall into Communist hands; and similarly, in the unipolar era, USA wanted to see that Sri Lanka would remain stable politically as a democratic country, and, hence, it did not want the "terrorist organizations" to have "achieved their goals in the small island" (Lunstead 2007). For Sri Lanka, the relations with the USA was as important as ever during this period, since it was heavily embroiled in war and suffered economic ailments caused by rising military budgets.

²⁷⁶ See the full article, "Sri Lanka United States relations", [Online Web] URL: <http://www.globalsecurity.org/military/world/sri-lanka/forrel-us.htm>

Military Relations

From USA's point of view, Sri Lanka could be strategically important for its military exercises in the Indian Ocean region. Nevertheless, according to an analysis by Wezeman "the USA has been hesitant with arms sales or military aid. US equipment aid was limited to 300 surplus trucks offered in 1999 and accepted in 2002" (2011: 50). As discussed in chapter 3, the USA wanted to acquire certain logistic facilities from Ceylon from the beginning. During the period 1990 to 2000 Sri Lanka did not enter into major military agreement with the USA, yet on 05 March 2007 it signed "The Acquisition and Cross-Services Agreement (ACSA) with the United States".²⁷⁷ Since the study does not cover that period I do not deal with that agreement here. Militarily, USA was an arms supplier for Sri Lanka, though not a major one. However, the USA had denied that it procured arms for Sri Lanka during the Jayewardene regime (Behera 2000: 553).

USA on LTTE and the Ethnic Conflict

The USA recognized the LTTE as a foreign terrorist organization (FTO) on 10/8/1997.²⁷⁸ This was realized as a major achievement from Sri Lanka's side since the great power's decision could certainly influence several other states as well. In 1998 US envoy Bill Richardson who met President Kumaratunga in his visit to Sri Lanka, spoke of the USA's 'commitment to the resolution of the ethnic conflict', and that was the first time the Superpower had shown its direct interest in the resolution of Sri Lanka's conflict. *The Sunday Times* on 04/26/1998 pointed out that "it was significant to note the United States' call (on) the LTTE to seek a negotiated settlement, while emphasizing to the government the need to adopt a bipartisan approach together with the main opposition party".²⁷⁹ The USA had turn its interests to make peace in South Asia and the visit of US envoy would 'augur well' for the region (*Daily News*, 23 April 1998). Meanwhile, *The Island* editorial

²⁷⁷See for more details *Asian Tribune* [online web] URL: <http://www.asiantribune.com/node/5019> accessed 20/7/2016.

²⁷⁸See List of foreign terrorist organization recognized by USDS Bureau of Counter Terrorism, [Online web] URL: <http://www.state.gov/j/ct/rls/other/des/123085.htm> accessed 20/7/2016.

²⁷⁹As cited in "Daily Digest 4/29: RICHARDSON TO SOUTH ASIA" [online web] URL: <http://fas.org/news/india/1998/04/980429-usia-dd.htm> accessed 12/5/2016.

published a positive comment on the visit of Richardson and suggested that Sri Lanka take cognizant of the concerns of the USA on the human rights situation in the country.²⁸⁰

It would have been reassuring to the Sri Lanka government to have the two senior U.S. officials (Richardson and Inderfurth) reiterate the earlier stand taken by the U.S. government of the LTTE as a terrorist organization.... Those attempting to find out the significance of the visit of the two officials, while not paying much regard to diplomatic niceties expressed, should take heed of the notes of caution sounded about Sri Lanka's human rights record and 'unfortunate commercial disputes' (*TheIsland*, 20/04/1998).²⁸¹

In the mid-1990s US had begun showing increasing concern for South Asia, and Sri Lanka too figured very often in its calculus. While the USA wanted the government of Sri Lanka to maintain human rights protection and finding a peaceful solution to the ethnic conflict, the critics argued that new strategy of the USA in the region has been 'commercial' that it wanted to expand trade relations (*TheIsland*, 20/04/1998).

USDS Human Rights Report (USDSHR)

US Department of State (USDS) in its annual reports of human rights situation in Sri Lanka normally had taken cognizant of all dimensions of the conflict, practices of state and violations of human rights. In 1994, the report pointed out that "the Government had taken important steps to improve its human rights practices" (USDSHR 1994). It also showed that "torture as a serious abuse" was held as means 'by both government and LTTE forces' (USDSHR 1995). Likewise, the US Human Rights annual reports attempted to present a balanced view of Sri Lanka's human rights situation. What is clear from the US Human Rights Reports on Sri Lanka is the statist point of view they were making on the conduct human rights by the state while not showing the LTTE any favourable attitude either. To further clarify this point this is what the USDS Human Rights Report of Sri Lanka generally said:

The Government generally respected the human rights of its citizens in areas not affected by the insurgency; however, the ongoing war with the LTTE continued to be accompanied by serious human rights abuses by the security forces (USDSHR 1999).²⁸²

²⁸⁰Also cited in URL: <http://fas.org/news/india/1998/04/980429-usia-dd.htm> accessed 12/5/2016.

²⁸¹Also cited in URL: <http://fas.org/news/india/1998/04/980429-usia-dd.htm> accessed 12/5/2016.

²⁸²See USDS Country Report on Human Rights Practices, Sri Lanka, [Online web] URL: <http://www.state.gov/j/drl/rls/hrrpt/1999/442.htm> accessed 12/7/2016.

Thus the significance of the US Human Rights Reports was that it highlighted that the government had two different approaches; one in conflict zone and another in civilian government zone. Therefore, the USDSHR reports had never been used to undermine the Sri Lankan state and it had been highly diplomatic about the relations between two countries even when the EU was taking a high handed approach to Sri Lanka's abuse of human rights.

VOA Issue Resurfaces

Despite the Cold War's end, the USA wanted to continue its propaganda Radio broadcast, Voice of America (VOA) to the Asian region from Sri Lanka. The VOA broadcasting in Sri Lanka has been controversial throughout. Even after the Cold War had ended Sri Lanka had to allow the USA to continue its propaganda activities using VOV established in Iranawela in the Puttalam District of Sri Lanka. In 1989 "a visit by US engineers identified Sri Lanka as an ideal location to fill some critical gaps in broadcast coverage to China, SE Asia and the Middle East" (Wood 2000: 80). Later on, the Agreement of VOA was signed by Secretary of Ministry of Finance, R. Paskaralingam and US Ambassador for Sri Lanka on 09th December 1991 (*Parliamentary Debates* 99: 5, 26 May 1995, col.448). The construction of the broadcasting cooperation was completed in 1996 despite vehement protests by the Parliament opposition.

When the UNP Government had been replaced by the PA, a centre-left alliance in 1994, the issue of the Iranawela VOA Radio Station resurfaced as a major issue raised mainly by the leftists. The opposition members questioned about the agreement and wanted the government to stop it as they thought it would be detrimental to the sovereignty of the country; could impact negatively the relations with neighbouring states (probably India) and bring environmental damages as well (*Ibid*, col. 448). The leftist Lanka Samasamaja Party strongly believed that the USA used the VOA for intelligence gathering purposes and could be used even for military purposes as well;

We may never know the uses there can be for military and intelligence gathering purposes. In a situation of conflict we can be among the first casualties, wholly for the reason that we have in our ignorance become purposes including the guidance of submarines. It is as plain as pikestaff that for purposes of broadcasting alone there can be no need of a sea-front of a thousand acres (*Ibid*).

The left parties while opposing the VOA further alleged that the Cold War had not ended the US 'perspectives for world operations'. For they believed that the USA always worked to perpetuate its military power globally. And testifying to their fear President Clinton's National Security Adviser, Anthony Lake, had stated the following, which was cited in Sri Lanka's parliament by a leftist MP.

As the president has said, "we face a contest as old as history – a struggle between freedom and tyranny; between tolerance and isolation. It is fight between those who would build free societies governed by laws and those who would impose their will by force.... But in this struggle between hope and fear, our power will make the critical difference, as it did in two world wars and the Cold War. ...*Our power in this struggle will make the difference and at the heart of American power lies the threat or use of military force (Ibid, col. 435).*²⁸³

Now the Government of Chandrika Bandaranaike had faced a dilemma, with its leftist members questioning the role of the USA in Sri Lanka, on whether to continue with the Agreement with the USA or not. Further Batti Weerakoon revealed in Parliament the UNP Government in 1994 had signed another Agreement with the USA which was not revealed to Parliament (*Ibid*). This agreement was signed by then Foreign Minister A.C.S. Hameed and Mrs Schaffer, Ambassador of the United States of America.

The history of VOA Agreement during the UNP under Jayewardene regime dates back to 1983. In that year, the UNP tabled the Agreement for approval of Parliament but it had to face vehement opposition which surfaced only in 1991 under Premadasa regime. The UNP in 1983 and 1991 had to face an international stigma for its inability to protect the civilians from killings, abductions and torture. The grave human rights violations the country underwent during the UNP regime could attract the West's ire if it had not heeded to the interests of the USA and other Western countries. Therefore, it can be understood that the UNP wanted the USA to help it being targeted in the region, as well as in the UN, and used the VOA as a trump card to win the great power though the public opinion was rising against that country due to the involvement of the left and the SLFP.

²⁸³ As cited by Batti Weerakoon, MP, in his speech.

Sri Lanka-USA Treaties

Several Treaties were signed between the two countries during this period. In 1995 Sri Lanka signed an agreement titled “Agreement Regarding the Status of U.S. Military Personnel and Civilian Employees of the Department of Defense who may be present in Sri Lanka for Exercises or Official Duties” (*USDS Treaties* 2008: 252). This agreement was signed and enforced on May 16, 1995. Sri Lanka signed another Treaty called the “Agreement Regarding Grants under the Foreign Assistance Act of 1961, as amended and the furnishing of the defense articles related to training, and other defense services from the United States of America to the Government of Sri Lanka”, which came to the force since August 04, 1998 (*ibid*). “The Agreement for Cooperation in the Global Learning and Observations to benefit the environment (GLOBE) Program with appendices” was signed on 20 December 1999 (*ibid*).

Sri Lanka entered an extradition treaty with the USA in 1999.²⁸⁴ The Treaty was signed at Washington in September 1999 and it provides for the two states to extradite criminals from their country as per the provision of this Treaty. The Treaty was concluded in March 1999 and the Foreign Minister told the Parliament that “the State Department of the United States expressed its amazement that an extradition treaty of that kind could have been concluded so quickly” (*Parliamentary Debates* 122:9, 11 March 1999, col. 744).

Trade with USA

USA as the largest export destination of Sri Lanka was a major concern in the country’s economic and foreign policy. As revealed in the data in the **Table 6: 4**, Sri Lanka could secure a positive trade surplus with the USA as it had less imports than exports to the great power. This advantage was one of the key things that were constituted with export concessions with the facility under GSP+ scheme. Sri Lanka’s exports much of its garment production to the West, the USA being one of the largest buyers.

²⁸⁴ “Extradition Treaty between USA-Sri Lanka” [online web] URL: <http://www.state.gov/documents/organization/124816.pdf> accessed 12/5/2016.

On the other hand, since Sri Lanka depended heavily on loans and grants from WB, IMF and ADB, the key financial organizations of the World in which the USA had a greater leverage, Sri Lanka wanted the USA's goodwill to persist on it as it could be of greater assistance to receive international financial cooperation. Also the aid of USA continued through the channel of USAID for several projects. For instance, USAID funds were promised for the conservation of wild life of Sri Lanka in 1992 (*Ibid*, 80:8, 23 Sep 1992, col.1079-80).

Table: 6: 4, Sri Lanka's Foreign Trade in Goods with USA, 1990-2000

(Values in US\$ Million)

Year	Exports	Imports	Balance
1990	537.7	137.3	400.4
1991	604.2	120.9	483.3
1992	789.5	177.6	611.9
1993	1,001.7	203.2	798.5
1994	1,092.9	197.8	895.1
1995	1,259.7	279.1	980.6
1996	1,392.9	211.4	1,181.5
1997	1,620.0	154.5	1,465.5
1998	1,766.5	190.5	1,576.1
1999	1,742.2	167.3	1,574.9
2000	2002.0	204.6	1,797.4
Total			

Source: United States Census Bureau, URL: <https://www.census.gov/foreign-trade/balance/c5420.html>, accessed on 22/08/2015

6.3. 2. Relations with EU and UK

United Kingdom has 'historical ties that 'naturally' links it with Sri Lanka as observed in Chapters 3 and 5, from 1948-56 and from 1977 to 1993, under the UNP regimes. The UK figured largely in Sri Lanka's foreign policy (Goodman 2014). However, the decline of

UK's economic capability certainly place that country below the importance that Sri Lanka gave for USA and China after 1990. Yet, UK and Commonwealth were still important for Sri Lanka since the former colonizer shares US's interest in the region. In the economic sphere it was the EU which dictates terms for the small country, since its concerns are always with the country's conformity with normative principles; human rights, minority rights, gender equality or labour rights etc. More importantly Sri Lanka was concerned with EU countries since the LTTE's international network depended on the Tamil diaspora in those countries. EU countries had around two hundred thousand (200,000) of Sri Lankan Tamils who had migrated to those countries by 1990 (Skandharaja 2005: 495).

In order to curtail anti-Sri Lankan propaganda of the LTTE abroad, Sri Lanka had to be concerned about the interests of the West. Also after 1990s with the USA was turning back to Asia with a novel strategy of promoting democracy etc., the UK's role could still be important for the small country. This section inquires in to how UK and EU (after 1994) relations implicated on Sri Lanka in its strategic calculations of being closer to the West for cooperation during the international concerns over the violence of the civil war in the country.

Human Rights Figures in EU Aid

In 1992 Sri Lanka decided to buy six Airbuses from the European Airbus Industries by Air Lanka, the national carrier, at a cost of US\$700 million (Rs. 29 billions) (*Parliamentary Debates*, 78:1, 17 March 1992, col.157). This deal with EU market was to cost Sri Lanka more than what it would earn as foreign exchange in that year. Also this amount was twice the defence expenditure for the same year. Yet, it could be realised that even at such a staggering cost Sri Lanka wanted to keep relations with the EU countries due to the pressure emanating from that region over the issues of violations of human rights in Sri Lanka. Another major reason to keep the EU happy was that Europe did not provide money for Sri Lanka during this period (in 1992). Notably Sri Lanka was losing sympathy it had from European countries in the 1990s in the face of increasing human

rights violations in the country. In 1992, 'none of the EU countries had provided financial aid' (*Ibid*, 77:9, 19 January 1992, col. 1019). Also the amount of grants it had provided in early 1990s was just 1/3rd of the amount of money received and the rest came as loans. Human rights situation was suspected to be the reason for EU's non contribution for financing Sri Lankan economy.

Agreement with European Commission

Sri Lanka and the European Union were expected to enter into an agreement on cooperation between the two parties in June 1994. But due to some reasons Sri Lanka could not sign the agreement. Then President of the EU wrote to Minister Hameed that 'he had looked into the misunderstanding concerning the signing of the agreement between the European Union and Sri Lanka' and due to heavy schedules and a full agenda it would not be possible to move ahead immediately with it in the immediate General Affairs Council of Foreign Ministers of EU (*Ibid*. 93: 12, 10 June 1994, col.1495). Foreign Minister Hameed faced the critics locally who accused that, according to him; because of a 'non-patriotic foreign minister' the country could not reach the agreement with EU. Nevertheless, Foreign Minister stated that non-signing of the Cooperation Agreement with the EU had no negative impact on the 'flow of development assistance from the EU' to Sri Lanka and 'that many co-operation activities continued as before the initialling as before' (*Ibid*, col.1494).

West Recognised LTTE as Terrorists

On the positive side for the successful diplomatic efforts by Sri Lanka, the U.S State Department and the European Parliament officially recognised the terrorist and illegal activities of the LTTE in 1993. The annual terrorism report of the USSD "Patterns of Global Terrorism 1993" mentioned that the LTTE "integrated a battlefield insurgent strategy with a terrorist programme that targets not only key personnel in the country-side but also senior Sri Lankan political and military leaders in Colombo" (*Ibid*, 93:7, 19 May 1994, col.800).²⁸⁵ The report further pointed out that "the LTTE exploits large Tamil communities in North America, Europe and Asia to obtain funds and supplies for its

²⁸⁵Cited in Parliament by Wimal Wickramasinghe, MP.

fighters in Sri Lanka” (*Ibid*). The government of Sri Lanka was thus being challenged by the Tamil activists for a separate state in Northern Sri Lanka from abroad, and in order to counter the activism of them the government had to seriously think of ways to accommodate the interests of the European countries, filing which ‘the politics of human rights’ would begin to haunt the survival and the legitimacy of the country (Vincent 2005).

However, as Ram Manikkaligam (2008) argues Sri Lanka as a state always had the upper hand against the LTTE and it had maintained good relations with major powers, India, EU and USA during this period.

The Sri Lankan government as a responsible state in the international system has good defence, economic and diplomatic ties with several countries. This provides an opportunity for constructive engagement between these governments and Sri Lanka. The Tamil Tigers - banned as a terrorist organisation in the European Union, the United States, India and several other countries – do not have such ties. Rather their links are primarily with the illicit world of arms smugglers and money launderers (Manikkalingam 2008: 06).

Sri Lanka’s ethnic war continued for another decade till 2009, but the scope of this section does not warrant us to discuss it. However, the European peace makers could be seen involved heavily in Sri Lanka in the first half of 2000s. As Sarah Holt points out, the international ‘aid, war and having breaks during fighting’ had a close relationship in Sri Lanka.

6.3.3. Relations with East Asia and Russia

As observed in previous chapters, Sri Lanka awards a prior place to China in its external policy, knowing well that India in the region and the USA at the international level look suspiciously at the Chinese accession to Indian Ocean region. The immediate years of the post-Cold War era did not witness any robust attempts of China to gain a foothold in Sri Lanka and as it is now revealed it was after 2005 that China was allowed access to Sri Lankan territory to build infrastructure and harbours in the island. The period 1990-2000 witnessed steady and growing relations between China and Sri Lanka, mostly Sri Lanka needing to keep China as a friend in need. This section examines Sri Lanka-China relations during the last ten years of the 20th century and attempts to identify how those

relations helped in Sri Lanka's strategic ambitions while a local conflict of ethnic war had become an internationally concerned issue making Sri Lanka a culprit of human rights violations in the eyes of the international community.

Visits of State Leaders

The first of the visits by the leaders of the two countries was made by China to Sri Lanka during this period by former Premier Li Peng in 1990. Thereafter on April 21-27, 1996 Sri Lanka President Chandrika Bandaranaike paid an official visit to China, invited by Chinese President Jiang Zeming. During this visit the two countries signed two agreements to assure economic cooperation (*Xinhua* 16/09/2014). Barely one month after this visit to China by Lankan President, had China sent its Premier Zhu Rongji for a two day visit to Sri Lanka on May 17-19, 1996. The SLFP governments under Bandaranaike family members had close relations with China since 1956. Unlike the UNP leaders, the SLFP had no issues with the political ideology of Chinese Republic and its system of government. In fact, Chandrika Bandaranaike being the daughter of Mrs Bandaranaike, could have some special recognition by the Chinese leaders. Therefore, after 1994S, the high-level state leaders' visits to each other's countries was a sign of future role that China was going to play in the small state neighbouring India. Sri Lanka government's strategy during this period was quite remarkable; on the one hand it had approached India for economic and political assistance for the issues it was facing in the international spheres and also it accessed the West through India's approval for making peace with the LTTE. On the economic front mainly Sri Lanka attempted to "... consolidate and develop friendship and cooperation" with China.²⁸⁶ The two countries 'signed an agreement on economic and technological cooperation' 1996 during the Chinese Premier's visit to the island (*ibid*).

Sri Lanka in China's South Asian Strategy

Like all other major powers approaching the Indian Ocean, China also have its strategic aims. According to Indian perspectives China is encroaching into its 'own backyard' and hence would become a threat to its security. Yet, China is not buying this argument of

²⁸⁶ [online web] URL: news.xinhuanet.com/16/09/2014 accessed 13/5/2016

Indian Ocean as 'India's backyard', while China accepted that "...geographically ...India has a special role to play in stabilizing the Indian Ocean and the South Asian region", it did not like the idea that Indian Ocean was its own backyard (*Asia Times* 07/2015). According to Senior Captain Zhao Yi, associate professor of the Institute of Strategy in China's National Defence University, "The word backyard is not very appropriate to use for an open sea and international areas of sea" (*Asia Times* 07/2015). From the Chinese perspectives we understand that China always wanted behave like other major powers and its attitude was shaped by the structural consequences emanating from the regional competition in the Indian Ocean. Yet, some Indian scholars have produced Realist understandings of China and demystified the Chinese strategy and shown its simplicity.

China's strategic aim with Sri Lanka is to enhance its bilateral ties and carry an influence over the strategic sea lanes or communication from Europe to West Asia and oil tanker routs from Middle East to the Malacca Straits. China's Indian Ocean policy is influenced by its ties with the other major powers like India, and the US (Panda 2010: 197).

Now as a small state Sri Lanka has structural incentives from the emerging power structure in the Indian Ocean with the rivalry between India and USA and China. However, Sri Lanka did not want to get into this entanglement of major powers and get India and USA antagonize until at least 2009, the last year of ethnic war of Sri Lanka. Apart from China and sometimes more than China, it was Japan which had become the largest source of economic aid for Sri Lanka until China surpassed it recently. The next subsections would briefly look at Sri Lanka's relations with Japan and Korea, mainly in their economic dimension.

Relations with Japan

The 1990s also witnessed the increasing of South East Asia for regional peace in Asia. China's ascendance to regional power status had begun and Japan was making attempts to counter Chinese power. Therefore, the two nations were competing in developing relations with strategic countries. Japanese Prime Minister Kaifu had visited Sri Lanka in 1991. After the visit of Japanese Prime Minister, Chinese Premier Li Peng arrived in Sri Lanka in December 1991. China appreciated Premadasa Government's stance on Taiwan

and hoped that Sri Lanka would continue with the “one China policy”(Parliamentary Debates 76:11, 9 December 1991, col. 1570).

Japan has always been a great of source economic assistance to Sri Lanka and it was the largest aid donor too (Kelegama 2012). Sri Lanka’s trade relations with Japan remain very high. In the political sphere too Japan remained neutral mostly when the international community put pressure on Sri Lanka on the issue of human rights violation. Melegoda (2013) argues that Japan has been different from the objectives of the Western countries in providing aid to Sri Lanka from. Japan’s objective has been to promote peace and domestic stability.

Korean Economic Assistance

Chandrika Bandaranaike addressed Sri Lanka Co-operation Committee in Seoul South Korea on 13th August 1996. In this speech she highlighted the growing significance of South Korea’s economic relations with Sri Lanka. By 1996 there were 93 Korean private sector projects in operation in Sri Lanka’ (Bandaranaike 1996). The Korean investors had invested Rs. 6,284 million. As revealed by President Bandaranaike, around 49 new projects were to commence with a total investment of Rs. 4,592 million (*Ibid*). The total contribution of Korean investments in Sri Lanka had generated more than 50,000 direct employments too.

Concerning the development assistance, Sri Lanka benefited much from South Korea. In the infrastructure development sector Korean assistance was highly available for Sri Lanka for ‘highway construction, rehabilitation of urban hospitals, improvement of telecommunication, power sector development, housing’ etc. (Bandaranaike 1996). In 1991 Korea had provided a loan facility of US\$ 14.5 through the Economic Development Corporation (EDFC) (*ibid*). In 1995 Sri Lanka received \$843 as aid from the donor countries that had met in Paris. Similarly, Korea agreed to provide a grant of \$100 million when Korean President met Sri Lanka’s President at a meeting in Copenhagen (*Parliamentary Debates* 102:1, 08 November 1995, col.20).

During the early period of the PA Government, the international economic cooperation recorded progress mainly due to its progress in the sphere of human rights. Under the Premadasa regime Sri Lanka's image was tarnished due to the high scale of violations of human rights, but the new government after 1994 had worked to clear that image with the help of its policy of negotiated settlement for the ethnic conflict (*Ibid*).

6.4. Relations with other States and Regions

Sri Lanka's relations with Middle East are significant for its economic dimension. Sri Lanka's exports (mainly tea) and foreign employment is heavily dependent on peace and stability of that region, as well as successful diplomacy. Sri Lanka stood by Palestine and continued that policy even under pressure from major powers perhaps. On the other hand, within South Asia Sri Lanka closely related with Pakistan and it was among the major countries which had military defence relations with Sri Lanka during the ethnic war.

Relations with Middle East: The Gulf War

The outbreak of Gulf War on 2nd August 1990 caused much debate and discussion among the Political parties and civil society in Sri Lanka. The government was often questioned over its policy toward the Middle East in this context. Two major reasons, both economic, that caused for lengthy debates were the impact of the war on 'Tea' market and the employment in the Middle East. The Gulf War had far reaching consequences on the economy as the tea exports declined and many of the workers had to return home. After the invasion of Kuwait by Iraq around 50,000 Sri Lankans immediately returned home.²⁸⁷ On the hand, Sri Lanka's tea export to the Middle East which was around 65% of its total production was going to suffer much. Also the amount of monthly remittances from the workers of Sri Lanka employed in ME was around 12.5 billion during the early years of 1990s. Apart from that Sri Lanka depended on its fuel supply from the Gulf countries and the War could send its economy severely tattered if the powers behind the war's design did not opt for peace at an early stage.

²⁸⁷ *Ibid*, 70:3, 24 January 1991, col. 210.

The opposition parties condemned the ‘devastation’ of Gulf War and were on the opinion that no country has a right to invade another country. While condemning the War, the opposition also recognised that Saddam Hussain of Iraq, the aggressor, was ‘a staunch friend of Sri Lanka’, someone who had helped the country ‘in moments of great difficulty and trouble’ (*Ibid*, 70:3, 24 January 1991, cols. 209-213).²⁸⁸

Table: 6:1 The Number of Employed Sri Lankans in Arab Countries During the Gulf War

Country	Number of Sri Lankan workers
Saudi Arabia	2,00,000
UAE	50,000
Jordan	15,000
Kuwait	10,000 (remaining during war)
Katar	15,000
Oman	35,000
Bahrain	35,000
Lebanon	15,000 (aprox)
Other small countries	10,000
Middle East	3,75,000

Source: compiled from the speech of G.M. Premachandra (MP), *Parliamentary Debates: 70: 3*, 24 January 1991, col. 237

For the ruling UNP the Gulf War became critical because of the workforce which was around four hundred thousand. The real impact of war on Sri Lanka was discussed in the *Sunday Observer*, state owned on weekly newspaper in the following lines cited by M.H.M. Ashraff (MP),

Sri Lanka’s political complexion may change overnight if the war were to continue indefinitely. Hurdles in the avenues of our national income through export – shortage of fuel, corresponding rise in the COL, Aggravated inflation, unemployment, loss of foreign exchange through employment abroad and tourism are some of the immediate impacts that the war may have on Sri

²⁸⁸Anura Bandaranaike’s Speech in the Gulf War debate.

Lanka. This list does not include impacts on health and climatic changes that the war may have on Sri Lanka (*Ibid*, 70:3, 24 January 1991, col. 248).

Sri Lanka as a small and dependent economy felt the brunt of the Gulf War immensely but the leadership of the Government could not condemn the super power, like it was done by the opposition for its alleged role of intervention in perpetuating the violence in the Middle East. Ranil Wickremasinghe, Minister of Industries, Science and technology and the Leader of the House of Parliament expressed that it should be through collective networks the world should approach the resolutions of conflict and he wanted the NAM, to come forward:

...That the days of high flying individual mediation of international disputes appear to be obsolete. Collective security and strength of numbers is much more appropriate to modern times. We know that Sri Lanka must not fall victim to the temptation of creating personal fame abroad...(*Ibid*)²⁸⁹

The UNP was careful to not antagonize the USA in the case of the debate on the Iraqi invasion of Kuwait. And they kept repeating that Sri Lanka had approached the NAM and supported the UN Resolutions on the Iraq issue in the case of the Gulf War.

Palestine and Israel

President Premadasa closed the Israeli interest section in US Embassy immediately after he was elected President in 1989. He totally cut off relations with Israel contrarily to the policy of his predecessor Jayewardene who had even invited the Israel President and ‘treated him as a Head of a State’ (*Ibid*, col. 213).²⁹⁰ Premadasa in his address to the Parliament on 24 September 1991 also ‘branded Israelis as murderers’ while condemning the killings of innocent Palestine people. Sri Lanka as a member of the UN had supported the cause of liberation of the Palestine Government almost under all governments and Premadasa resuscitated that policy with a huge emphasis (*Ibid*, col. 10).

Premadasa’s anti-Israeli stance could win him the recognition of the Arab world. The Arab League consisting of 40 countries passed a resolution and informed the Sri Lankan Government that the organization “...calls on the Arab states to strengthen relations with

²⁸⁹Speech of Ranil Wickremasinghe, MP.

²⁹⁰Speech of Anura Bandaranaike MP.

Shri Lanka in all its fields” (*Ibid*, 76:11, 09 December 1991, col. 1530). At the time Premadasa’s regime was feeling international pressure over human rights violations etc. the Arab nations were offering him diplomatic support. The President of the World Muslim Congress, and Libya, Palestine and a majority of the countries of the Arab world expressed solidarity with Sri Lanka (*Ibid*).

The Government of Premadasa looked for possible benefits from its solidarity with the Arab World at the cost of its relations with Israel. As MP A.H.M. Azwer stated, the people of West Asian region, ‘the land of the Arabs, a region of vast potential and enormous resources’, was ‘completely favourable to Shri Lanka’. He suggested that Sri Lanka ‘must exploit that situation because’ it had sent away the Israeli Interest Section from the country (*Ibid*, col. 1530). The Sri Lanka Committee for Solidarity with Palestine also praised the policy of Premadasa towards West Asia.

Iraq for ‘Real Cooperation’

Under the Premadasa’s regime Sri Lanka could hardly find support from the international community for dealing militarily with the separatist LTTE. However, the Government was very positively and actively participating in international Conventions with the expectation of international cooperation, but ironically the Premadasa regime had failed to find allies supporting the war. As the opposition MPs point out, during the early 1990s, it was Iraq which only offered to sell arms to Sri Lanka (*Ibid*, 70: 11, 08 February 1991, col. 1098). They argued that the new international cooperation was becoming one sided and Sri Lanka was not included in the list of countries which USA, UK and other powers assisted during the early 1990s. The situation of lack of support for Sri Lanka’s war may well connect with the Government’s policy toward IPKF during this period.

Premadasa, the anti-Zionist

Premadasa did not wish to maintain diplomatic relations with Israel, whereas Jayewardene from 1977-1988 had maintained relations with that country with the support of USA in order to obtain military expertise to fight the Tamil militants in the North and

East. Particularly, Sri Lanka's Muslim representatives in Parliament recognised the difference between the two regimes of the UNP under Premadasa and Jayewardene based on the importance the two leaders had offered to Israel in their foreign policies. As a Muslim MP M.A. Abdul Majeed alleged the last government under Jayewardene had 'accommodated Zionism'; but according to him 'the Premadasa government was a completely different catalysed Government' (*Ibid*, 82:4, 12 Nov 1992, col. 294).

Meanwhile the leader of Sri Lanka Muslim Congress M H M Ashraff accused that the LTTE had worked as the agents of the MOSSAD (*Ibid*, 81:6, 22 October 1992, col. 616). During the regime of Jayewardene there was allegation that the country worked closely with Israel for military purposes, while the same allegation now was turned on the LTTE for its alleged connections with the MOSSAD of Israel.

Sri Lanka's Relations with Pakistan

Given the rivalry between Pakistan and India the two countries are often figured as an oppositional pair in the regional hemisphere of South Asia. In relation to the two countries' concern toward Sri Lanka, Shaikh (2009) points out that the two major countries and the minor neighbour was in a triangular relationship where the larger states try to attract the minor state. Apart from that, his analysis reveals Pakistan's strategy to create a 'coalition against India' due to its rivalry with the regional power since 1947.

One of the most commonly used metaphors to describe the complex relationships between the states of South Asia is a triangle in which India and Pakistan emerge as the two main suitors vying for the attention of a minor neighbour...The idea of a Pakistan-led coalition against India has long been familiar to seasoned observers of diplomatic relations in South Asia. As the weaker party, Pakistan has sought to manage this rivalry by assiduously cultivating allies among the smaller states of South Asia, notably Bangladesh, Nepal and Sri Lanka, which share some of Pakistan's concerns about Indian ambitions. Although Pakistan's endeavors have yet to bear fruit, it is widely assumed that its bilateral relations in the region are still overwhelmingly dictated by its desire to contain and counter-balance India (Shaikh 2009).

From a typical model of antagonism against the most powerful actor in system the above comment is true in relation to Pakistan. Now the question with is whether small states like Sri Lanka too share the same perspective with Pakistan against India or not. According to Bunse and Nikolaidis (2012) who study the small states coalition patterns in the European Union in *The Oxford Handbook of the European Union* points out that “small sates may coalesce on specific matters of concern” (p. 251). In this section we briefly look at how Sri Lanka-Pakistan relations progressed during the period from 1990 to 2000 and attempt conclude whether such relations amount to be called ‘coalescing efforts’ to countervail the big power.

6.5. Regionalism: SAARC

Regional cooperation and regional integration are two different concepts (Graham and Felicio 2006: 16). The unipolar world after 1990 witnessed ‘ascendancy’ in regionalism, but ‘whether regionalism would become an alternative to unipolarity’ or it will be ‘a feature of multilateralism’ is a question for future (*Ibid*, p 17). Similarly, whether the small states in South Asia might find SAARC as an institution to balance ‘regional unipolarity of India’, something which India feared from the beginning of the organization is a question about the regional role of India (Dash 2012:407).

Nevertheless, today South Asian region fundamentally looks for ‘intra-regional cooperation’. If the SAARC region is ever to integrate into one unit the major format for that would be through trade. Sri Lanka has campaigned for SARRC as an instrument for solving regional issues and development. SAPTA and SAFTA have been proposed by the SAARC and the viability of these models is yet to be seen for a region that seamlessly would interact through trade and commerce without political consent and will of its members (Pant, Pradhan and Gartaula 2014; Khan, Shaheen, Yusuf and Tanveer 2007). Sri Lanka as a small state has always supported the idea of regional cooperation. President Premadasa opined about regionalism in the following manner and sounded small countries too wanted to be recognised;

We are also enthusiastic supporters of regionalism. The path to regional co-operation is not a smooth one. There are often bumps and ruts along the way. Yet we must persevere. No country is big or small on the basis of her geographical size. No country is big or small on the basis of the number of her population. What is the use of bigness if it is not used generously and justly? (*Parliamentary Debates*, 76:11, 09 December 1991, col. 1529).

For Premadasa all countries should be ready to recognise the 'sovereign equality of all' in a similar fashion and only if that conditioned is fulfilled that 'organizations of countries will work well' (*Ibid*, col 1529). In this section the study deals with Sri Lanka's attempt to make regional cooperation as part of its small state strategy in the regional sub-setting.

It was very clear that India played an influencing role in preventing the SAARC Conference being held in November 1991 in Sri Lanka and postponed it to December as a one day event. However, in November 1991, three State leaders from SAARC countries paid visits to Sri Lanka. Prime Ministers of Bangladesh and Pakistan and the President of Maldives had discussions with President Premadasa within the same month. Foreign Minister Herath considered these visits of three leaders of the SAARC countries were to mark 'not only on the further strengthening of bilateral relations' but also 'on improving regional cooperation' (*Ibid*, 76:11, 09 December 1991, col. 1569).

Hosting the 5th SAARC Summit and IPKF

Sri Lanka's offer to host the 5th Summit of SAARC was made at Islamabad in 1988 during the 4th Summit. However Sri Lanka could not hold the 5th Summit in 1989 as planned before due to circumstances in the country. President Premadasa wanted to send IPKF off before he could welcome any foreign leader in the country. Sri Lanka also informed the other countries of the situation and conveyed to them that once the IPKF had gone back it would hold the Summit in the country. Sri Lanka planned to hold the Summit in March/April in 1990 and informed this decision to Islamabad and other members of the SAARC.

Issue of Not Holding the Sixth SAARC Summit

The Fifth Summit was to be held in Sri Lanka but due to ‘security reasons and the stationing of IPKF in its territory’ Sri Lanka could not hold the Fifth Summit. Sri Lanka offered the chance to Maldives which was celebrating the 25th Independence Anniversary in 1990 to hold the Fifth SAARC Summit in Male. In the Fifth Summit in Maldives it was agreed that the Sixth Summit would be held in Sri Lanka. The dates for the Conference were suggested by Sri Lanka and the proposal was agreed upon at the Ministerial Conference of SAARC held in July 1991 in Maldives. According to the tradition, Sri Lankan President invited all SAARC leaders in a letter dated 24th July 1991 for the Sixth Summit in Colombo. The letter was delivered in person to leaders of states of India, Pakistan, Nepal, Bangladesh and Maldives by the Foreign Minister of Sri Lanka. The invitation letter to the Bhutanese King was delivered through the Sri Lankan Ambassador in Dhaka.

The letter of invitation sent to all SAARC leaders was tabled in Parliament on 12th November 1991 at the debate on the issue of not holding the Sixth Summit as had been scheduled then. The SAARC was united with a “common historical experience and a shared destiny combined with an ancient heritage” and by the time the Sixth Summit was to be held in Colombo, the region was facing “new fresh challenges both regionally and globally” according to the President of Sri Lanka (*Ibid*, 75:1, 12th Nov 1991, cols. 17-18).²⁹¹

However, things changed negatively for Sri Lanka as the Bhutanese King informed Sri Lanka that he was not in a position to attend the Summit due to ‘current disturbed situation in South Bhutan and threats by terrorist to carry out acts of sabotage and subversion during the period of SAARC Summit’. The King of Bhutan considered his ‘presence was essential’ in the country under the circumstances and therefore ‘most reluctantly decided not to participate’ (*Ibid*, col. 19).²⁹² Aware of the situation in Bhutan

²⁹¹Cited from the letter sent to SAARC leaders by R. Premadasa, President of Sri Lanka.

²⁹²From the letter sent by King of Bhutan, Singye Wangchuk.

Sri Lankan President inquired about the possibility of holding the Summit as was scheduled with an authorised representative on behalf of Bhutanese King. At this instance India's State Minister of Foreign Affairs Eduardo Faleiro stated that if all the leaders were not attending the Summit the Prime Minister of India would also not attend and hence the need to postpone the Summit for later dates. India's decision was not in favour of Sri Lanka's preparations to hold the Summit and the Minister of State for Foreign Affairs argued that it was not a right decision taken by India as there was precedence where the Summits were held previously not attended by all Heads of Governments, but with their representatives. For instance, in 1990 Sri Lanka had sent Prime Minister D.B. Wijetunga to attend the Fifth Summit held in Male (*Ibid*, 75: 1, 12 November 1991, col. 05).

Sri Lanka was still reluctant to postpone the Summit and immediately wrote to all leaders requesting to attend the Summit despite India's decision and Bhutan's 'internal security' situation as mentioned in its reply to the Invitation for Summit. Sri Lankan President told "elaborate arrangements have been made and it is not in the interests of SAARC to postpone the Summit"; he insisted that "even to postpone" the decision "should be taken by the Heads of State or Government concerned" (*Ibid*, cols. 19-20).²⁹³ "Under the circumstance" the President of Sri Lanka "earnestly" requested all leaders to "attend the Sixth SAARC as scheduled" (*Ibid*, col. 210).

All efforts taken by Sri Lanka to hold the SAARC Summit in 1991 failed and the blame fell on India's role in 'destabilizing' the Summit. The state owned weekly *Observer* of 7th November editorialised that India had worked to sabotage the SAARC Conference. It had published a headline – "Anyway India blunders again" (*Ibid*, 76:11, 09 December 1991, col. 1485). Opposition member Bandaranaike read out the editorial in Parliament and accused the Government of using its media to trouble Indo-Lanka relations;

To put it very mildly, the Indians sabotaged the Sixth SAARC Summit which was scheduled to begin today. In the communiqué issued by the Indian High Commission they attempted to cover up their sins by passing the buck to President Jayewardene. It said that President Jayewardene (the current

²⁹³He was citing from the Letter sent by President Premadasa to SAARC Leaders dated 5th November 1991.

Chairman of SAARC) has come to the conclusion that the SAARC Summit cannot be held as scheduled because of the inability of the King of Bhutan to attend the Summit...(*Ibid*, col. 1486)

It is obvious that the Sixth SAARC Summit was not held as scheduled due to India's influence on the two small states, Bhutan and Maldives, who could not act in their own in challenging the hegemonic India. Sri Lanka meanwhile used its media to hurt India and show its attitude that it was resisting what India had contributed to do with regard to the Conference of SAARC nations. In a report published in '*The Hindu*' India had previously questioned Sri Lanka's unwillingness to hold the Conference (fifth Summit) in 1990. *The Observer* editorial concluded that "India prefers stooges in neighbouring States" (*Ibid*, col. 1486).

The main opposition, SLFP, considered the failure to hold the Summit as an 'unprecedented insult not only to the Government but to all of us in Sri Lanka' and Mr Anura Bandaranaike stated "nowhere in the world has a country had to cancel a conference twenty-four hours before it was held" (*Ibid*, col. 1485). Further, the leader of Opposition and veteran politician and friend of India, Mrs Bandaranaike, candidly saw that the UNP's attitude of challenging India had caused for the cancellation of the SAARC Summit;

You (the UNP) go to fight with them, challenged them to come for a fight. Then you have bad relations with India. The problem of SAARC was because of that, was it not? If you had good relations with those countries this would never have happened – (*interruption*). Still they are doing it, and they will continue to do it (*Ibid*, col. 1543).

The Opposition viewed the deterioration of Indo-Lanka relations during the Premadasa regime as a 'fault' in its foreign policy. For example, the sending out of the IPKF and Premadasa's refusal to hold the SAARC Conference in 1990 with the presence of the IPKF in the North and East regions, and the cancellation of the Sixth SAARC Summit, just before it was about to begin, clearly pointed towards a correlation with India's less cooperation with Premadasa regime. It was in fact India's disapproval of the stance of Sri Lanka in sending off the IPKF which was replied with its decision to not attend the Summit in 1991. After all, at the level of regional structure, Indian hegemony was being resisted by Sri Lanka after 1980s, and it had continued till 1993, the year Mr Premadasa was assassinated by the LTTE on the International Day of Labour, 01st May, 1993.

The SAARC Summit was not held as scheduled for two days from 7th to 9th November in 1991 mainly because of 'India's manoeuvres' (as *Frontline* reported) but somehow Sri Lanka managed to re-summon it as a one day Conference on 21st December 1991 (*Ibid*, 76:11, 09 December 1991, col. 1567).

Ambition to be Regional Player

The election manifesto of the UNP of 1988 and 1989 contains some ideas that the Premadasa Government used as a basis for its regional approach. Accordingly, the UNP had wished Sri Lanka to become a 'regional player' in the changing economic context of the region;

Political and economic factors of a regional nature have come to the fore. SAARC, which helped to establish, is a response and manifestation...With her unbroken heritage of an ancient culture, contemporary Sri Lanka will play an active role in relevant regional and international processes (*Ibid*, 82:4, 12 Nov 1992, col. 324)

During Premadasa's regime Sri Lanka was holding the leadership of the SAARC region. Premadasa was concerned mainly on organizing a poverty alleviation programme for the entire region. Locally Premadasa was a welfare-oriented leader and acted on alleviating poverty with several schemes to uplift poor people's living standards. He wanted to regionalize his local program since poverty is the major issue of the region. It was under Premadasa's leadership that SAARC reached the agreement on regional consensus on trade and tariffs and other agreements. In fact as a small player Sri Lanka wished to cooperate in the region and the Premadasa regime worked for that even when the regime was facing constraints from India which had boycotted the SAARC Conference in 1991.

Progress of SAPTA

Deputy Finance Minister stated in the Budget Speech in November 1995 that Sri Lanka had progressed well in the initial preparatory work of SAPTA. According to him this Agreement was beneficial for the small country since it was connecting a region which

had an income of \$345 billion and a population of 1200 million. Since Pakistan too had agreed upon the Agreement and the other states in the region expressed their agreement, Deputy Finance Minister believed that the SAARC region was heading to create a Preferential Trade Area in the fashion of ASEAN or EU (*Ibid*, 102:1, 8 Nov 1995, col. 20).

Sri Lanka was among the nations of SAARC who proposed to have a system of preferential tariff that would benefit their non-diversified and less industrialised export-oriented productions. The opening of the SAARC was welcomed by Sri Lanka with the expectation that it would lead for creating a 'bloc trading pattern' and with ease in travelling for businessmen, professionals and parliamentarians with no visa (*Ibid*, 75:3, 14 Nov 1991, col. 325).

'Transcending National'

President Chandrika Bandaranaike attended the 8th SAARC Summit held in New Delhi in May 2005. In addressing the Summit she focussed on "SAARC's role in developing meaningful, practical and structured regional co-operation" (Bandaranaike 1995). She stressed that in order to overcome the issues of the region SAARC's activity should "transcend the borders" and "some have to limit our national options in order to achieve regional objectives" (*Ibid*). Particularly Sri Lanka has realized the importance intra-regional trade through SAPTA;

Mr Chairman, in our region where all of us are concerned with overcoming poverty, malnutrition, unemployment and other manifestations of socio-economic disadvantage, the only solution for salvation lies in vigorous economic activity which transcends our borders. To that end, we have embarked on developing a South Asian Preferential Trading Arrangement (SAPTA). The road ahead is a long and difficult one, for our region is characterized to a greater extent perhaps than in any other region. Some of us may have temporarily to limit national options in order to achieve regional objectives (*Ibid*).

The progress of SAARC depends on how India cooperates with the region and how the two major countries, Pakistan and India, amicably solve their issues in Kashmir etc. Sri Lankan President highlighted 'national options' as a barrier to the progress of SAARC

integration in this context. Sri Lanka also wanted the SAARC nations to adopt the Convention of Suppression of Terrorism at the domestic level;

Sri Lanka was one of the first countries to adopt domestic legislation to give effect to the SAARC Convention on Suppression of Terrorism. We are about to present in parliament a comprehensive law dealing with drug trafficking, including money-laundering, which would also give effect to the SAARC Convention on Narcotic Drug. Adoption of similar legislation by all our member countries is imperative to discharge our obligations which we have undertaken in these Conventions (*Ibid*).

Sri Lanka had always preferred regional cooperation in the areas of trade, aid, development and suppression of terrorism. Terrorism was the biggest menace hindering the progress of the small state, and the leaders have attempted to convince the SAARC to follow regional measures to curb it. In 1997, Sri Lankan President reminded the SAARC nations about the SAARC Convention on Suppression of Terrorism.

In this context, it is heartening that due to our efforts, the Declaration on Measures to Eliminate International Terrorism adopted at the United Nations last year has taken cognizance of the SAARC Convention on the Suppression of Terrorism.... While urging those SAARA States who have not yet enacted enabling domestic legislation, to do so, Sri Lanka calls for a more determined effort to eliminate terrorism, drug trafficking and the illegal arms trade. We welcome the new international impetus given to the campaign against terrorism at the United Nations following the Lyons Summit (Bandaranaike 1997).

SAARC, as well as UN, as multilateral forums provided scope for small nations to discuss, but the innate issues of the domestic problems which had grown into international level, was hardly fought together. Sri Lanka had experience this in regard to the LTTE. The UNP's trust about regional unity in South Asia seems a qualitatively low phenomenon because its requirement for economic aid was not satisfied within it. Therefore, the UNP always saw that other regional organizations such ASEAN flourishing while it was not able to join such an organization, due to geographical and regional constraints.

The decade of 1990s was heading to regionalism in many directions, but SAARC region marred by internal conflicts lacked the unity among nations very often. India's role was changing as it had embarked on the journey of becoming a great powers. Small states had

to take more initiatives in the new unipolar world, and Sri Lanka's struggle was expanded to international forums in this context.

6.6. Sri Lanka and International Organizations

Representing UN Agencies

International recognition obtained through the UN agencies by small states is seen as something they really consider as an evidence of being a member of the international community. Foreign Minister Harold Heath pointed out that Sri Lanka played an active role in the United Nations (*Parliamentary Debates*, 76:1, 09 Dec 1991, col. 1570). As a result it could secure some position in some of the sub agencies of it. In 1992 Sri Lanka was elected to the UNHRC for a period of three years, and the UN Environmental Programme for a period of four year. Sri Lanka also got extension for another term in the UN Commission on Human Settlements.

President Premadasa could get the UN to declare the year 1987 as 'the International Year of Shelter for the Homeless'. On the other hand, some of the eminent professionals received placements in some of the important agencies of the UN. John de Saram was elected to UN Law Commission for a five-year period from 1992 onwards and similarly Dr. Christopher Weeramantry to ICJ (*Ibid*, col. 1570). These appointments and the representation won through competitive elections were used as an indicator of international recognition by the Government, particularly at a time of increasing international concern over the high incidence of violence and human rights violations in the country due to ethnic war.

Within International Financial and Trade Organizations

The Gulf War's impact on the economy was severe in the early 1990s. Sri Lanka had to continuously look for assistance from the World finance and trade organizations to minimise the damage on economy. Sri Lanka received a 'lease of life' with a Multi-Fibre Agreement under General Agreement on Trade and Tariff (GATT) talks in 1990. Yet, the

GATT had not helped Sri Lanka's economy much and it had more and more been dependent on IMF and the World Bank (*Ibid*, 75:3, 14 November 1991, col. 325).

The Premadasa Government was involved heavily on restructuring financial institutions under the policy of 'nationalization'. The nationalization policy was a major drive to privatize state owned business and financial ventures and find foreign finance for local development programs. Foreign financial institutions were allowed to buy shares from the local banks as a move to secure necessary capital for financing the economy in 1992 (*Ibid*, 77:2, 22 January 1992, cols. 133-135).²⁹⁴ Accordingly, the National Development Bank of Sri Lanka invited a number of prominent international banks to buy its shares. Those banks which expressed interest in buying shares included the City Bank which was the largest bank of USA, N.I.F. institution affiliated to Daiwa Securities Company of Japan, Asian Development Bank (Asia's largest Bank), and Commonwealth Development Cooperation which was one of the largest development banks of Europe.

The participation of the foreign financial institutions in local economy was expected to contribute towards development programs through provision loan capital and share capital shares. At the beginning of the 1990s the World Bank and ADB were already providing a major portion of loans for the National Development Banks for development projects. Apart from these Banks, advisory services of Singapore Development Banks were received by the NDB in getting the income and expenditure analysis to be used in selling shares to foreign banks.

As summarised by Minister Ranil Wickremasinghe in Parliament, the international financial institutions, the World Bank particularly, advocated the privatization for the countries in a 'mission to integrate the third World economies in the world economy led by US' (*Ibid*, 77:9, 19 Feb 1992, col. 1015). He said 'the World Bank privatization has become the economic god' and "this has happened immediately after the collapse of the command economy of the US caused in the Eastern Europe and the unfortunate failure of the great Soviet Socialist Republic the USSR" (*Ibid*). He accepted that after the USSR

²⁹⁴ In the Debate on the Bill on Reforming the National Development Bank.

collapsed “now there is one leader in economics” the USA and countries had “to satisfy it to get loans” (*Ibid*).

ADB AID

In 1990 and 1991 ADB funds were granted for rural projects and this aid came as loans (*Ibid*, 77:2, 22 January 1992, cols. 127-8). Sri Lanka signed an agreement with ADB to receive a loan of 38,103,000 (SDR) on 27 August 1991 and it was to become effective from 06 December 1991. This loan was to be used to provide loans for industrialists. The World Bank approved a grant for economic recovery for the years 1991 and 1992. Also the ADB provided Sri Lanka a sum of Rs 348 million for a housing development scheme in 1992. Also Housing Development Financial Cooperation received Rs 562 million from ADB. Furthermore, USAID was provided for a loan scheme meant for low income families receiving less than Rs 2700 per month. The Government was also negotiating with the ADB for funds for another loan scheme for families above the income of Rs 6000 per month.

6.7. Facing Normative Constraints

The state of human rights was gravely declining under the President Premadasa’s rule. The Human Rights Watch has studied the plight of Sri Lanka in the late 1980s and early 1990s in a report titled “Human Rights Accountability” in Sri Lanka (*Report of HRW* 1992). Ethnic war, JVP’s insurgency, IPKF’s take on the LTTE and state’s counter insurgency were factors that contributed to the high intensity of rights violations in this period. From April to 18 June 1992, within 50 days about 1000 people were estimated to have been killed by the war in the North and East from both sides of the conflict. An average of 20 people were dying per day during this period (*Ibid*, 79:06, 18 June 1992, col.521). As an MP from the Northern Districts, Mr. P. Joesph revealed in Parliament “as a result of the ongoing war, human rights violations continued unabated in the North and East” during the regime of Premadasa. The Amnesty Report of 1991 clearly witnesses the deteriorated situation of human rights violations and the poor record of implementing law and order during the UNP’s last four years in office in the early 1990s.

Against a background of continuing armed conflict in the northeast and political unrest in the south, scores of people were extra-judicially executed and several hundred “disappeared” in Sri Lanka during 1991. Torture in custody appeared to be in systemic use. Thousands were detained without trial under emergency regulations and the Prevention of Terrorism Act. The Government took steps to protect those currently under detention, but failed to account for thousands of “disappeared” from previous years (*Ibid*, col. 521).²⁹⁵

The challenge for Sri Lankan state’s international image was posed by its poor record of human rights protection and the use of ‘state terror’ for repressing two violent conflicts in the country. It seems that it could be the sympathy of the USA which further prevented the international community acting against Sri Lanka for its violent polity and impunity during this period.

Responding to International Pressure

In response to the rising international concerns over the human rights situation in the country, the Government had to take certain actions in order to prove that it was not insensitive to the allegation of rights violations of the people. In this regard the establishment of a Human Rights Task Force (HRTF) in July 1991 was a positive move (*Ibid*, col. 521). The HRTF was assigned the duty of maintaining a central register of all the people detained under the PTA and the Emergency Regulations.

The increasing incidence of violence in the country since 1983 had not stopped even after the establishment of Indo-Lanka Accord in 1987. Perhaps the Accord caused the emergence of another conflict from the mainstream Sinhalese society through the acts of JVP’s violent upheavals from 1987 to 1990. The Premadasa regime suppressed the JVP, the Sinhalese-Marxist revolutionary party which led its second uprising since the failed 1971 insurrection against the Government and aimed at overthrowing it through armed struggles. From 1987 to 1990 around 60000 youth revolutionaries, overwhelmingly Sinhalese, were killed or burned on tyre fires without subjecting them to the due procedure of rule of law for bearing arms against the state. Yet, the uprising and subsequent violent suppression of the JVP did not receive international attention to the

²⁹⁵ Cited from the *Amnesty International Report 1991* in Parliament by P. Joseph, MP.

same extent as the LTTE had received. Nevertheless, the violence of the ethnic war, LTTE's terrorism and state's war on them, the suppression of the JVP revolutionaries and the revolution of the JVP, drastically transformed the island of tranquil and non-violent Buddhism into an island of blood or 'paradise poisoned' (Richardson 2000). The Government put the total responsibility of violence on the LTTE and argued it used 'reactive military action for the security of the civilians only' (*Ibid*, 76:11, 09 Feb 1991, col. 1571).

By the end of 1991 the Government was under huge international pressure to cooperate with the international mechanisms of human rights investigations. It was compelled to state in Parliament that violence had to be stopped through peaceful means; particularly the war was no longer possible without international aid etc. which mostly wanted Sri Lanka to justify its reception before the international community.

Human Rights and International Aid

As a small state economy foreign aid was sought very often for economic woes by Sri Lanka. The West which comprised the major donors was particular about the conditions of human freedom that both the state's violence and non-state actor's violence could not easily and should not easily take away from the people. The Human Rights in its report on Sri Lanka's accountability of human rights has added a section on the relation between foreign aid and human rights in Sri Lanka. This section includes a write-up published in *Sunday Observer* written by Charles Abeysekere who was active in civil society to promote the rights of the people.

The relationship between human rights and foreign aid has become so mixed up with notions of national sovereignty that some discussions seem to have lost sight of reason. ...An increasing consciousness in the world about international responsibility for the safe-guarding of human rights is putting pressure on aid-giving governments from their own citizens increasing consciousness in the world about international responsibility for the safe-guarding of human rights is putting pressure on aid-giving governments from their own citizens (cited in *Report of HRW 1992:24*).

Accordingly, the decline of the state of human rights in Sri Lanka affected the economy since the international aid was linked, particularly from the West, to the "safe-guarding of

human rights”. Global politics of during unipolarity did not then allow the small states to shift allegiance either, since one bloc of powers, the communists had collapsed. Therefore the small state’s economy further constrained while its domestic conflict further grew with more violence and violations of human rights.

6.8. Curbing Terrorism

In the late 1980s the UN took several initiatives to combat the “spectre of international terrorism” including the “formulation of international legal instruments in the form of multilateral Conventions” which were appreciated in Sri Lanka’s Parliament (*Parliamentary Debates*, 70:11, 8 February 1991, col. 1081). The Conventions of Tokyo, Hague and Montreal were intended at providing legal basis to combat terrorist activity over the world. Another step in this regard was the International Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons. Sri Lanka supported these Conventions against terrorism which were emerging as international phenomena during this period. The Minister of State for Foreign Affairs, J.A.E. Amaratunga, expressed the idea that no single country alone can deal with the problem of international terrorism and therefore he wanted all countries to cooperate in curbing the ‘menace’. As he further expressed a ‘very high degree of international cooperation in dealing with the problem’ was required;

With all these international communications it requires a very high degree of international co-operation among nations for mutual assistance if meaningful action was to be taken to combat this problem. So it is very important that there should be understanding among nations on how to combat this problem and that is where this legislation is going to help Sri Lanka to get in line with other nations who have already adopted the policy of international co-operation by being parties to the international convention on prevention and punishment of crimes against internationally protected persons (*Ibid*).²⁹⁶

Sri Lanka was quite ‘consistent’ in fulfilling international obligations regarding international security and it supported the new international normative regime of curbing terrorism in the late 1980s. It had been signatory to many international conventions and it played an active role ‘since it became a member of the international community’ and its

²⁹⁶ From the speech of J.A.E. Amaratunga State Minister of Foreign Affairs, Parliamentary Debates.

‘foreign policy was consistent’ in that regard (*Ibid*, col. 1092). The consistency of Sri Lanka’s adherence to the ‘will and the consent’ of the UN was seen as a plus point by all successive governments. Perhaps the small state’s psychological insecurity was quite well forgotten when it thought that it had acted in accordance with the world system and hoped it was safe within the international system, despite its domestic ailments with separatist war and growing international concerns with the issue of human rights violations.

Regional and International Measures

Former Foreign Minister A.C.S. Hameed viewed the issue of international cooperation from a different angle. As he told the House it was not only a problem of finding cooperation for buying armaments but the ‘reciprocity’ and ‘similar courtesy’ that Sri Lanka expected from the international community by becoming party to several international Conventions aimed at curbing international terrorism (*Ibid*, col. 1100). Also he explained that Sri Lanka took both regional, as well as international efforts in the problem of terrorism at the domestic level. Regionally Sri Lanka had hopes with the SAARC; ‘at the SAARC Summit in Dhaka, Sri Lanka’s main position was one another’s sovereignty and territorial integrity’.

Sri Lanka looked for ‘areas where there was a threat to its security’ and worked for producing the SAARC Convention on Terrorism. The Convention was initiated by Sri Lanka and was ratified in 1988 and legations for the convention had been passed by several countries by 1991, except for India. On the other hand, the international measures of Sri Lanka against terrorism were constituted by its active involvement in supporting international instruments for the suppression of terrorism such as the Bill on Internationally Protected Persons etc. As Minister Hameed explained “As a small country and as a country that has faced terrorism” Sri Lanka had to understand the importance of international cooperation for its domestic problem of terrorism which was emerging as international issue too (*Ibid*, col. 1104).

Suppression of Terrorism

Rapid progress was made by Sri Lanka during the period after 1994 under the PA government led by Chandrika Bandaranaike. As a local measure, Minister of Foreign Affairs Lakshman Kadirgamar moved 'the Bill on Suppression of Terrorist Bombings' in Parliament on 11 March 1999. The legislations aimed at curtailing terrorism were not a new phenomenon and there have been many laws in this regard. In introducing this Bill he revealed that the government, since it came into power in August 1994, had decided to address the problem of combating terrorism at the policy level. According to him the government had planned measures at three levels; national, regional and international. While legislation in Parliament was added to national level measures, regionally there was the SAARC; in 1987 the SAARC Regional Convention on the Suppression of Terrorism was promulgated as a regional measure. Also the Bill on particular Bill on Suppression of Terrorist Bombings adopted by Sri Lanka in March 1999 provided the government to implement the provisions of the International Convention on the Suppressing of Terrorist Bombings adopted by the UN in 1998. As Foreign Minister told the Parliament, Sri Lanka had played a key role in drafting and promoting the International Convention of Suppression of Terrorist Bombing. Sri Lanka's Dr Rohan Perera was the Vice-Chairman of the drafting committee of the UN Convention. And Sri Lanka was also the first country to sign it (*Ibid*, 122:9, 11 March 1999, col. 743).

At the international level too Sri Lanka worked to suppress the LTTE with diplomatic efforts. Minister of Foreign Affairs Lakshman Kadirgamar played a key role in this regard and he explained the efforts the government was taking to create 'an international consensus on ways and means of combating terrorism'.

Therefore, we began to spend a lot of time and energy on going to various countries, going to the capital cities and arguing that terrorism was a phenomenon that could not be tackled by one country alone. Terrorism today in the modern age is a phenomenon that transcends the national boundaries. Terrorism is financed heavily b various countries (*Ibid*).

International terrorism apart, the international network of the LTTE (*see* Meheeta 2010) was the major problem for Sri Lanka since that well-functioning mechanism had given an upper hand for the LTTE in propaganda against Sri Lanka and creating an international

public opinion against the country. In pursuant to the efforts of the Foreign Ministry of Sri Lanka, the countries of the West were gradually "...beginning to take serious note of the problems that are being faced by" Sri Lanka. In response to the situation a number of countries had taken measures to constrain fund raising activities of the LTTE, among them were Canada, Germany, Australia and the United States (*Ibid*, col.744). These countries also had declared the LTTE to be a terrorist organization and the Minister of Foreign Affairs showed that "the international climate" was developing in favour Sri Lanka (*Ibid*).

Getting LTTE Banned

Foreign Minister Lakshman Kadirgamar played a key role in getting the LTTE proscribed in the West in USA and EU countries. The following paragraph is quoted from a speech delivered by G.L. Peiris, who later on became a Foreign Minister when Kadirgamar was assassinated allegedly by the LTTE:

The terrorist organization was banned in the USA when Madeline Albright was Secretary of State. In the UK there was a debate as to whether in terms of the applicable laws of the UK this organization could be properly banned. Kadirgamar played a significant role in that debate. ...The proscription of this organization by the European Union meant that 27 countries barred this organization. So that was the extent of his activities in securing the banning of this organization all over the world. That is the most striking, most prominent achievement that is remembered today, with gratitude and appreciation (Peiris 2014).

The PA government with its liberal peace approach to the conflict resolution could win the trust of world community against the LTTE. That is why it was later on successful in getting many of the countries in Europe and elsewhere declared the LTTE as a terrorist outfit. Mainly the West saw that the LTTE had not wanted to commit to a political settlement that President Chandrika was introducing through a package of proposals for devolution. When the LTTE broke away from the agreement on cessation of hostilities it became an instance for international community to condemn the LTTE's continuous practice of direct violence. Deputy Defence Minister Ratwatte's speech on the security situation on 12 May 1995 also referred to the international opinion against the LTTE's return to violence:

The most eloquent comment on this situation is the unanimity reflected in international opinion regarding the imputation of responsibility for the current state of affairs. All Governments which have articulated their views on this question have declared emphatically and unequivocally that the conduct of the LTTE in breaking the truce under these circumstances is altogether unwarranted and that their behaviour is to be unreservedly condemned. This view has been expressed, in no uncertain terms, by the European Union and by the Governments of the United States of America, Canada, Australia, Japan, Russia, India, Indonesia, Pakistan, and Bangladesh, among others (*Ibid*, 99:3, 12 May May 1995, col. 148-9).

As the Government accused the LTTE, the outfit had ‘cynically planned to sabotage the peace process’ and the Deputy Defence Minister stated that “Military action will certainly meet at our hands with a military response”: and he assured that “the Government has both the will and the capability to achieve this” (*Ibid*, col. 149). While Foreign Minister engaged much in creating an international public opinion against the LTTE, President Bandaranaike used several international forums to discuss the issue of international terrorism.

At the 12th NAM held in South Africa in 1998, Lankan President focused on international terrorism and world security. On terrorism and the UN efforts she mentioned the following;

The scourge of terrorism continues unabated, across the world, causing sudden and devastating loss of human life, the lives of innocent people and colossal damage to property. No part of the world is safe from terrorist attacks, as recent events on this very continent have shown. ...After years of tardy progress, the United Nations adopted the Convention on the Suppression of Terrorist Bombings early this year, thus providing a comprehensive framework for international co-operation, aimed at the elimination of such activities. My Government strongly urges all member States of the Non Aligned Movement, to become parties to this Convention, so that it could come into force with the least delay (Bandaranaike 1998).

The biggest threat that perpetuated the LTTE activism was the international linkages it had in the West for fundraising etc. So it was natural for Sri Lanka to seek the world community’s support to curb the LTTE’s international activism, while also joining the international struggle for terrorism worldwide. It seemed that the Government of Bandaranaike, after 1994, was able to get an upper hand in criticising and suppressing LTTE internationally and continue war-efforts combined with a peace-package in hand too.

6.9. Foreign Economic Policy

The economic element of foreign policy is less revealed in many analysis and limited to analysis of balance of trade etc. Nevertheless, small states value economic dimension more than the political. Since 1977 market economy started to prevail in Sri Lanka. The succeeding governments succumbed more and more to the structural pressures of the world economy during this era. Regionally too India adopted the open market economy and as discussed in this chapter the entire SAARC region was turning into or had plans to become a 'free market' area. Under these circumstances the foreign economic policy of the governments of Sri Lanka after 1990 is discussed.

The Premadasa regime provides evidence on the economic element receiving higher priority in foreign policy. Harindra Corea, Minister of Premadasa's Government, tells about President Premadasa's willingness to develop economic relations between Sri Lanka and other countries with enthusiasm. Sri Lanka strived to develop the economic relations with the West, it also was an active member of several multilaterals economic forums; UNCTAD, North-South Forum, UNCTAD, GATT etc. Foreign aid grant and foreign aid loan contributed much towards financing the budget deficit during this period. For instance, in 1992 the expected amount of foreign aid grant was Rs 8,575 million and foreign aid loan was Rs 26,460 million. In 1993 the proposed amount of foreign aid grant and loan for financing the budget deficit stood at Rs 8,950 million and Rs 25,600 million respectively (*Parliamentary Debates*, 82:1, 06 November 1992, col. 42-48). Much of the budget deficit was met with borrowing from local and foreign sources.

Foreign Investment

In 1991 foreign investment in Sri Lanka amounted to Rs. 2200 million or US\$ 49 million. In 1992 there was a twelve-fold increase amounting to Rs. 30,000 million (*Ibid*, 93:2, 04 May 1994, 234).

Table 6: 4 Total Amount of Aid and Grants Received by Sri Lanka 1947-1994

Year	Amount (USD Millions)
1947	n.a
1950	n.a
1955	n.a (1)
1960	n.a
1965	n.a
1970	92.2
1975	376.8
1976	198.2
1977	253.5
1978	400.1
1980	627.5
1981	815.5
1982	553.2
1983	367.8
1984	461.2
1985	543.2
1986	701.8
1987	567.0
1988	1158.0 (2)
1989	399.3
1990	1026.4
1991	962.2
1992	635.4
1993	777.2
1994	696.8

Note: (1) Documents are not available for this period at the External Resource Department

(2) Including assistance committed for Rehabilitation and Reconstruction works

(3) Including programme loans from the World Bank, IMF and ADB

Source: *Parliamentary Debates* Official Report 104: 7, 19 March 1996, cols. 743-4

Table: 6:5, Total Amount of Aid from Countries and Multilateral Sources (1970-1994)

Country/Agency	Amount (USD Millions)
Australia	69.6
Belgium	9.5
Canada	412.5
China	93.3
Denmark	49.2
Finland	118.2

France	217.5
Germany	485.4
India	147.8
Iran	26.9
Iraq	5.3
Italy	18.0
Japan	3117.5
Kuwait	83.1
Korea	13.6
Lybia	13.6
Netherlands	331.8
Norway	161.2
Pakistan	4.5
Switzerland	32.2
Saudi Fund	76.9
Sweden	339.4
U.K.	412.3
U.S.A	1238.2
USSR	110.6
Multilateral Agencies	
ADB	1529.8
EEC	167.6
IFAD	73.3
FAO	2.2
IMF	104.7
OPEC Fund	41.3
UN Agencies	143.7
World Bank	1962.6

Note: Details are not available for the period 1947-1965, Source: *Parliamentary Debates* 104:7, 19 March 1996, cols. 743-4.

Foreign Banks

In 1992 Sri Lanka had 22 foreign banks in the country. These banks had arrived to finance investments. Yet, the opposition charged that these banks were not getting involved so heavily in the investment banking as they had stated in their brochures (*Ibid*, 77:2, 22 January 1992, col. 133). Meanwhile, a certain amount of shares of local banks were made available for sale at the share market. The Government share of the state Banks was reduced by around 40% in this way. Four major foreign financial institutions;

namely, City Bank of USA, NIF Institution affiliated to Daiwa Securities Company of Japan, and ADB and Commonwealth Development Cooperation, had indicated their willingness to buy shares in the National Development Bank (NDB) in 1992 (*Ibid*).

As Prime Minister Wijetunga explained the objective of engaging the foreign development/investment banks and other financial institutions was aimed at finding the share capital and capital for development projects of Sri Lanka. A substantial amount of the funding available for loans at the NDB was provided by ADB and the World Bank. Sri Lanka's NDB also received services from Singapore Development Bank. In order to sell shares of the NDB, the Government had to amend the NDB Act No 02 of 1979 (*Ibid*, col. 133).

According to Ranil Wickremasinghe, government MP, the commercialization process of banking sector entailed three issues; 're-capitalization, stronger recovery of loss of loans and change of management' (*Ibid*,77:9, 19 February 1992, col. 1015). Addressing these three issues constituted the structural changes in banking and financial sector in Sri Lanka in the 1990s. On the other hand, these changes were externally motivated and driven by international financial institutions such as the World Bank. As Wickremasinghe pointed out he had seen the 'conditions of the World Bank' which wanted 'Sri Lanka to commercialize the state banks before it could utilize the money, US \$ 825 million provided by the latter in 1992' (*Ibid*, 77:9, 19 February 1992, col 1015). Privatization of state sector was the norm propagated by the World Bank led by USA according to the local politicians both in ideological left and right;

...for the World Bank today privatization has become the economic god, and the World Bank is on a mission to integrate the Third World economy into the world economy led by the United States. And this happened immediately after the collapse of the command economy of the US caused in the Eastern Europe and the unfortunate failure of the great Soviet Socialist Republic the USSR. Now there is one leader in economics that is the greatest capitalist country in the world, the Bush administration, to satisfy and get loans (*Ibid*, col.1015).

The small states economies have lesser influence on the international financial structure since non-industrialised and less diversified primary agricultural product based economies very often are subject to pressures from international market economy. Since

the state sector is unable to maintain industries and services, the IMF and World Bank often advise the small states to restructure those sectors. Sri Lanka was caught in the IMF conditions and World Bank structural adjustment programs and the 1990s witnessed much of the impact from the forces of economic globalization, or 'Americanization of World economic sector'.

Macro-Economic Changes after 1994

The new government under Chandrika Bandaranaike was mainly aimed at attracting FDI and reducing unemployment in the country. The impact of the war was being felt, yet the government propagated its peace efforts to the world in a large scale and could get the LTTE banned in the West as well. On the other hand the economy was undergoing major changes. Privatization became the 'god' for economic recovery. In addressing a business community in South Korea President Bandaranaike told that a market friendly economy was being created in the country.

We have made progress in the pursuit of market friendly policies to achieve our development objectives. Our policy at the outset is one of establishing a prudent macro-economic and financial policy framework that would encourage rapid and sustainable development which would be just and equitable to all. In the realisation of the policy my government has implemented radical changes within the economic system and in its methods of operation (Bandaranaike 1996).

The major changes introduced to transform the economy included privatization, tax reforms (through Public Enterprise Reform Commission PERC), economic diversification etc. On the other hand, the UNP had started financial sector reforms in early 1990s by privatizing the state banking sector. One can say that in the 1990s Sri Lankan economy was structurally transformed according to the requirements of the neo-liberal international economic order led by global hegemony of America and world financial organizations.

6.10. Summary

This chapter studied the period from 1990 to 2000, the last decade of the 20th century, which saw the rise of USA as the single superpower in the world. On the other hand,

India has been settled as the unrivalled regional power deviating from its previous identity of non-alignment and more publicly expressing its regional and global ambitions of becoming a great economic power. At the backdrop of global economics and political changes, the liberal market ideology was gaining ground. India turned into an open market economy and the third world leadership was in question. The context was auguring much for the peaceful co-existence and liberal free trade in the region had South Asia been able to solve its national issues; Pakistan –India and Sri Lanka’s internal conflicts which were becoming internationalized increasingly.

The 1990s had two regimes in power in Sri Lanka. The UNP under Premadasa continued till 1993 until he was tragically killed by an LTTE’s suicide bomber. After the death of Premadasa the UNP continued in power till August 1994, and the Parliament power fell on to the PA-led by SLFP headed by Bandaranaike (Jnr). In November 1994, Chandrika Bandaranaike won the Presidential election. The PA, new coalition certainly ended a period of intense violence, an era of “bheeshanaya” where the state machinery itself had become an element of terrorism.

From 1994 to 2000, there was peace between India and Sri Lanka. The IPKF left the country in 1990. And the LTTE agreed to a ceasefire or an end to hostilities at least till 1995. Bandaranaike’s main focus was on two things during this era; to curb LTTE through peace or war and get their international linkages weakened, and second, to put the country on a fast track of development following liberal market economic reforms. Bandaranaike’s foreign policy awarded a special place for India, whereas the relations between the two countries had deteriorated much under President Premadasa, since he had not worked to accommodate India’s interest by genuinely approaching the issue of peace. Premadasa who had to curb two violent conflicts together, JVP and LTTE, had used the LTTE as a proxy to fight the Tamil militants and the IPKF; and his insistence that IPKF leave immediately was not for any satisfaction of India. While Sri Lanka earned much condemnation for the intense violations of human rights, it affected for reception of international aid. When President Bandaranaike came into power she strategized to win the international community through an approach of peace with the

LTTE. We have discussed that approach as a war for peace and international aid. India always supported Sri Lanka's peace efforts but it did not want to provide military assistance again.

After 1994 India and Sri Lanka embarked on a new phase of friendly relations and focused much on trade. Nevertheless, the ethnic conflict in Sri Lanka deteriorated while the LTTE was banned in several countries and regions, including the USA and EU. Sri Lanka appealed to SAARC, NAM and the UN to adopt measures to curb terrorism regionally and internationally. It articulated the local conflict with a global language of terrorism and had much success in curbing the LTTE's international network. The international aid consortium was supporting Sri Lanka with loans and grants to drive the economic reforms adopted by the government. Sri Lanka was on a fast track mode to implement global financial and economic reforms during the periods.

Nevertheless, Sri Lanka's relations with major powers progressed despite all the domestic issues facing it. The USA had favoured the UNP regime even when the international society was criticising it for human rights violations. In the 1990s, the EU was becoming a prominent region and Sri Lanka was successful in many areas of relations with it, yet, EU's politics of human rights was a big concern for the small state. However, EU followed the US and assured Sri Lanka of its assistance in curbing LTTE activism in Europe. Also, Sri Lanka had to develop more financial and economic relations with Japan and some other East Asian countries. More importantly, beginning with the 1990s, Sri Lanka seemed to have improved relations with China gradually. Pakistan also figured well in Sri Lanka's foreign relations. Since, trade and investment became the norm of foreign relations, and Sri Lanka's relations with many regions took mostly an economic character, the foreign economic policy and the search for foreign military cooperation guided the country's foreign security policy during this period.

Unipolarity brought both incentives and disincentives for the small state of Sri Lanka. Regionally, India realigned with the USA and re-strategized its interests responding to the new distribution of global power. Sri Lanka followed India's bandwagon and its

resistance towards Indian hegemony once again was latent, but China's engagement was increasing in the economy towards end of the last decade of the twentieth century. Finally, the effect of unipolarity had redefined the sub-systemic power relations in South Asia and was heading towards, perhaps, more integration, particularly in the economic sphere.

Chapter 7: Conclusions: Sri Lanka's Love and Hate with India

This study has ventured into probe balancing behaviour of small states which face threatening powers in regional sub-systems in the international system of states. Employing Sri Lanka in South Asian region as a case study, this research has analysed Sri Lanka's foreign relations in post-independence history from 1948 to 2000. The period under scrutiny encompasses almost the entire era of bi-polarity and the first decade of unipolarity. Two major hypotheses and a set of research questions guided this qualitative analysis with the objective of testing a realist research puzzle *i.e.*, how small states in anarchical sub-systemic spheres of influence are able to withstand threatening powers to ensure their existence and what strategies would constitute their struggle for existence within that sub-structural political space. The first hypothesis stated that the perception of threat about Indian power has continuously guided Sri Lanka to adopt an external balancing behaviour by trying to ally with external powers. Secondly, the study hypothesised that Sri Lanka has sought alignments with China and USA mainly to gain external balancing capacity *vis-à-vis* India. Consequently, by assuming that Sri Lanka, as a small state, had approached to countervail India with a perceived threat on its independence, autonomy and sovereignty, and then adopted a strategy of allying with extra-regional powers, this study has tested the realist theory of external balancing through the case of Sri Lanka in South Asia.

As understood through the literature review, the test on balancing behaviour of small states would stand unusual for the orthodoxy of realist theory in IR which displays a greater bias towards great powers in the system and treats the small and lesser powers as 'system ineffectual states', which must be subject to the will of the strong. Largely, realism in IR assumes that threatened by powerful states, small states would bandwagon rather than balance. It is obvious that small states would not be able to balance powerful states due to the dearth of internal capacities. However, there is a greater scope to research on the strategy of external balancing broadly comprehended as generating resistance against the will of the powerful state by small states by aligning with extra-regional powers. Moreover, this test of realist assumption undertaken through this study of a weak and small state was operationalized with the following research questions: how

did the small state (Sri Lanka) strategize its international behaviour while existing in the presence of a regional hegemon? Second, what was the nature of Sri Lanka's relationship with extra-regional powers, the USA, USSR (Russia), Britain and China? Third, how much did Sri Lanka's policy toward external powers use fear of India as a factor? Fourth, whether Sri Lanka's relations with USA and China have a military dimension? Fifth, how did China help Sri Lanka to improve its capabilities? And finally, how did the presence of other major powers - UK, USSR and Pakistan - help Sri Lanka counter India's motives to dominate the behaviour of the small state during the period of study, from 1948 to 2000.

The first chapter of this study introduced the research design and the literature review which accompanies it located the small state in realist theory of IR. The review of literature was on three major areas pertaining to the study, namely, the theories and concepts of realism, the concept of small state and Sri Lanka's foreign relations, and the concept of regional power. Basically, the survey of realism highlighted that there is a dearth of studies on small states from realist perspectives, and even lesser are the studies which have been dedicated to study balancing behaviour of small states. Having established these lacunae in realist literature in IR, the survey of literature went onto explore the concept of the small states which has acquired diverse meanings attributed to the size of their territory, population, economy etc., and state vulnerability in many aspects. However, the idea of smallness of the state remains relative to the power of another state in the system. The study identified that no two small states would be equal and, therefore, any provision of general definitions for small states remains a difficult task. At the same time, by following a more qualitative methodology and drawing from realist interpretations, the study defined small states as the states which are not in a position to make an effective influence on the regional or international systems of states. What makes a state small or great depends on the capability axis, not merely the natural elements of power, but its ability to produce security by itself. The terms 'security seekers' and 'system ineffectual' states vividly capture the nature of small states in a world of great power politics.

Furthermore, having analysed its vulnerabilities and state incapacities from various dimensions such as political, economic, and military, the study identified Sri Lanka as a clear case of a small state. Sri Lanka's vulnerability as a state emanates from its inability to face external aggression alone, and the fragile economy has reduced its capacity to develop its military capability severally and, therefore, Sri Lanka confronts a greater security and economic vulnerability. Moreover, Sri Lanka's internal issues such as the ethnic conflict and militarization were also identified as factors that have led to its weak status. Also, the first chapter dealt with the concept of regional power and examined their desire to dominate and establish their hegemony in the regional systems. India in South Asia has been a clear case of a regional power which has established its power and influence over the small states in its respective region. India enjoys a status of a unipolar power, despite Pakistan being a nuclear power, in South Asia. And the study mainly focused on how Sri Lanka had confronted Indian power and examined the nature of its foreign relations with four major powers, USA, UK, China and Russia (formerly USSR) in this regard. The study of the case of Sri Lanka was divided into four major periods for the convenience of the study. First era from 1948 to 1956; second from 1956 to 1983, the third from 1983 to 1990 and the last from 1990 from 2000. These periods were demarcated considering the significance of particular landmark events occurred in foreign policy, domestic politics and international polarity.

The second chapter has dealt with Sri Lanka's relations with three major powers during the period from 1948 to 1956. The first era of independence of the Ceylon was overwhelmed with the threat perception of India, which was often publicly expressed by the leaders who filled the vacuum of local power that the departure of the British from Ceylon had created then. Ceylon's first government was formed by the United National Party (UNP) in 1947 and it gained independence with dominion status in 1948. Independence without a guarantee of internal and external security of the country was considered as impractical and Ceylon suspected that in the absence of a viable security arrangement, India would constrain its autonomy, and in the worst case scenario, attach it to a greater Federation of Indian states together with Burma. Such was the nature of security dilemma of Ceylon and it agreed to the British's design of regional security strategy and signed a Defence Agreement with the UK subjugating its sovereignty and

autonomy in compensation for external security. Moreover, Ceylon also depended on the UK for external affairs and assigned it the task of handling foreign relations of the independent state through an Agreement on External Affairs. The relations of Ceylon with the UK had a major military dimension in addition to its dependence on the former great power for diplomatic and political affairs with the world. Also, the UK was one of the largest trading partners of Ceylon which owed much of the local investments largely in the plantation sector. Accordingly, through the UK, Ceylon found an ally most trust worthy that would safeguard its territory in case of a foreign invasion. Moreover, Ceylon's security was guaranteed with the agreement that it would provide, naval and air bases for the use of the UK military. More importantly, the most strategically significant naval bases such as Trincomalee was under the British despite the arrival of independence and India was concerned over its neighbours approach for security and protested against attracting extra-regional powers and seeking security from them while its regional leadership was not respected by Ceylon.

The UK-Ceylon defence relations and Ceylon's 'return to its former colonial master', even after being freed from it, displayed an excessive obsession of a small state for security as well as an instance of overreaction in terms of using intense balancing. Nevertheless, small states existing in a quandary of fear and facing stronger powers around them would like to hide in the shadow of the most powerful. In this context, what the offensive realists argue about the limit of power that a state should have possessed for security is valid in the same manner for the small states as well. Similarly, the small states would also seek to be in the alliance of more powerful states rather than being with the weak powers like them. Ceylon's desire to join the SEATO and even offer military rights to US, while having an insurance of security from the UK, arose because of this interest to be with the most powerful states during the bi-polarity.

Among the other major powers studied in the second chapter, relations with the USA and China speak much about the complexity of small state's strategy in dealing with two polar opposite powers during the high tension era of bi-polarity. Ceylon was attracted to the USA for trade primarily. As a weak economy producing raw materials Ceylon had to face the competition in international market and often faced economic slumps due to lack

of market for its major exports, particularly rubber which was considered a strategic material during the US-led proxy wars in the East Asian region. Ceylon maintained close diplomatic ties with the US and refrained from criticising its aggressive role in the East Asia and other parts of the world. By 1952, with the end of Korean War Ceylon faced a huge economic crisis as the price of natural rubber declined in the world market. Yet, Ceylon wanted to make a rubber trade deal with USA which was not materialised due to the super power's willingness to expand open market economy into the other parts of the world. In the meantime, the USA, together with the UN, adopted the Battle Act prohibiting countries from selling strategic materials to communist countries. Ceylon as an exporter of rubber was caught in this ideological battle between the two power blocs, and vehemently attempted to obtain concessions from the USA for its rubber produce but failed. Despite its anti- communism, Ceylon, in 1952, decided to open trade with China and signed a major agreement with the Asian power then. Ceylon's defiance of the Battle Act aroused the ire of the USA which in turn imposed a trade embargo on the weak state. Despite that, Ceylon kept bartering rubber for rice with China. The barter trade with China was opted in place of the open market system, primarily to protect the economy. This act of defying the US's sanctions and partnering with China which was forced on it by the systemic consequences explains the role of national interest of small states in determining the most rational goal available for them in given context. Moreover, bipolarity had availed such incentives for states and entailed in it greater autonomy for them as well.

The coercive diplomatic battle of the USA to stop Ceylon's rubber-rice agreement has been dealt lengthily in chapter two because of its significance of Ceylon's strategy to keep the super power engaged with Ceylon's relations through close diplomacy. Despite the US trade embargo, Ceylon had often maintained a cordial diplomacy and persuaded the super power for granting economic aid. Also, Ceylon hinted that for the US military facilities are available in its territory at any time. The US also had wanted to acquire military rights in Ceylon, but it refrained from acquiring them as it was assured by the presence of UK in Ceylon that it was also an ally of both the UK and Ceylon. In fact there were evidence that the US military had received services from Ceylon's bases occupied by the UK military then. Later, under Kotelawala, the USA removed its trade

embargo on Ceylon and further developed diplomatic relations. What made the US really interested in Ceylon was its anti-communism and the declared commitment for democracy. Ceylonese leaders in the era were used to suppressing the communist movement with much passion. Also, the US thought that Ceylon would act as proxy in its battle against communism in the Asian region. Kotelawala was quite straight forward in his attack against communism and subjected to anger of India and China due to rhetorical remarks against communist imperialism at the Bandung Conference. Ceylon often complained to the super power the US that India was constraining its freedom in the region and hence had to act according to the interests of the regional leadership. Ceylon's tendency to declare interest in the middle path was a result of India's influence and Ceylon tactically allowed India's interests as well, because it had got to solve the citizenship issue of the Indian Tamils in the country. It is evident that the small states would attempt to display their allegiance to the stronger powers whose alliance they prefer to be in and, thereby, would give less thought on autonomy and independence to keep the alliance with the strong intact. Ceylon's open allegiance to the West proved that it was less concerned about a relatively weak economic and military power in the region and wanted to have relations with the powers that could balance India even from far away regions.

Ceylon's relations with China during this period was limited only to trade. With the signing of rubber-rice deal in 1952, China became a major trading partner of the small state. The significance of China's trade with Ceylon, in fact, was for the economic survival of the state that guaranteed the existence of the regime without being subject to collapse of power. Therefore, Ceylon's response to economic depression by opting for trade with China reflected both systemic as well as state level compulsions on the regime in power. And from a systemic point of view, international bi-polarity and sub-regional hegemony of India without dominance in 1950s provided a greater leverage for the small states to shift their allegiance among two or more extra-regional powers to receive assistance to confront external political and economic challenges. More than anything else, the small state had valued the material benefits it had received from all the extra-regional powers, but the foreign policy of Ceylon then had tuned into a foreign security policy with a larger dimension of economic and military relations in it.

Furthermore, the first period that was studied in chapter two of Ceylon's foreign relations with major powers saw that it had clearly designed rational approach for security from India because of its suspicions of India's motives and strategic calculations. Indian leadership verbally assured of Ceylon that it would not harm the small state, but such verbal guarantees were not considered viable and Ceylon sided with UK and USA and found that India was not happy with such alliances in the region. Having analysed Ceylon's external policy in the first era of foreign affairs, the second chapter concluded that Ceylon used external balancing to counter India's interests and attempts to control the small power, and further saw that its survival attempts were not limited to defence but had political, diplomatic and trade elements which equally contributed for the formation of Ceylon's external security policy then.

Chapters three and four have focussed on the same period from 1956 to 1983, which happened to be the longest period studied under any chapter in this thesis, but they dealt on two different aspects of relations. First, in chapter three, the principal focus was on Ceylon's relations with the major powers, USA, UK, USSR and China; and chapter four analysed Ceylon's policy of non-alignment, multilateralism and relations with India. Nevertheless, the conclusions of the two chapters are interconnected and will be dealt with accordingly here.

According to the findings of both chapter three and four, the study identified a departure amounting to a paradigm shift in Ceylon's foreign security policy in this period; from its first era policy of being aligned with the West for security to the alliance of India and the Communist bloc in the second era. Ceylon's subjugation to the power of regional hegemony, particularly in the normative and regional security spheres, was the turning point of its external policy. However, this shift in foreign policy by shifting allegiance from the West to India and the East added a more complex dimension to the foreign security policy and cannot be simply analysed as a tactic of abandoning one power to join another. Ceylon in 1956 embarked on a strategic approach for security rather than short term tactical approaches like joining with long distance powers. While removing the state from the yoke of the West and linking it with the regional power and India's regional security and political agenda, Ceylon displayed that, as a small state, its major concern

was to appease rather than search for alliances to make equilibrium of power with India. Because, ultimately the major powers would take the side of the strong and the small would be left alone.

Yet, as chapter three discussed lengthily Ceylon's relations with the West and East, particularly with China remained strong during this period. The success of this policy has been shown throughout the chapters three and four, and this can be called the longest period of strategic coexistence of Sri Lanka with India, where balancing was latent, and hiding and bandwagon strategies appeared more common. Nevertheless, the policy of bandwagoning was mostly experienced in the normative sphere without compromising the relations with major powers that were required for economic, political and military reasons.

First, the year 1956 experienced a surge in the electoral practice of Ceylon with the mobilization of non-Westernized into politics that led to a shift of power from the westernised local elites to the indigenous elite forces largely constituted by Sinhala-Buddhists, the majority, led by SWRD Bandaranaike. Paradoxically, nationalist and religious fervours in Bandaranaike's local policy, however, did not match with his external policy greatly influenced by Nehruvian thinking. Perhaps, Bandaranaike knew that the Sinhalese majority would not be able to establish its majoritarian hegemony locally if India was antagonized while the minority Tamils felt suppressed. And then he compromised with India on its external policy. On the other hand, the paradox of Bandaranaike's local and international policy was the most complex dimension of his strategy of facing India. Unlike the previous UNP regime which failed to win the public opinion in favour of largely West oriented foreign security policy, Bandaranaike's external policy was immensely supported by the local leftists that helped him gauge support of the forces which lifted him into power. Bandaranaike's strategy of adopting a dual policy in local and the international milieus could be interpreted as his attempt to be friendly with the most threatening power in the region and the assure protection in the international sphere by mostly aligning with the friends of India, particularly the USSR and China then. Bandaranaike's open welcome for communists by ditching the West as the security partner displayed for the West a typical treacherous act of a small state, but

convinced India of its small neighbour's willingness to adhere to the regional strategy of creating a neutral bloc to counter the West. Ceylon's alignment with Nehru's neutral bloc and its favouritism for communist powers, therefore, provided assurance of survival in the competing environment of regional and international anarchy.

Obviously, Ceylon's policy of hiding in the normative shadow of India allayed fears of the small state of an immediate security threat from India, but, notwithstanding, Ceylon kept strengthening its international image in the NAM in which India was the leader. Through NAM Ceylon was guaranteed that as long as India remained non-aligned its regional policy would be non-oppressive and non-aggressive toward it. Also, Ceylon under Mrs Bandaranaike aligned with USSR and China which became the major partners of economy and the infrastructure development. Under the SLFP, Ceylon was less favoured by the West, and it has been clear throughout this period. For Instance the US aid was mostly stopped during the first tenure of Prime Minister Mrs Bandaranaike and restarted during the tenure of UNP under Prime Minister Dudley Senanayake after 1965. Yet, an exception occurred under SLFP in 1971 when Ceylon suffered the first armed insurrection in the post-independence era. Ceylon was militarily aided by the USA, but it happened with the mediation of the UK. Because Ceylon was a democracy the USA feared it would fall into the hands of communist forever and wanted to stop the loss of such a strategically significant state that could take its side in future going by the history's records. .

Furthermore, chapter four has dealt with Ceylon's normative role as a promoter of world peace, non-alignment, disarmament and a regional peace zone in the Indian Ocean, which constituted largely the elements of the regional security agenda of India as well as the Communists powers which were countering the dominance of the USA in the Asian hemisphere. Ceylon thus became a partner of the USSR's regional strategy in the 1970s, when India had also aligned with the great power with a security pact. Even within the communist bloc Ceylon maintained relations with both China and USSR simultaneously when the two powers were competing with each other. And during the Sino-Indian war in 1962 Ceylon as a mediator who tried to secure its goodwill from the two powers rather than condemning the aggressive behaviour of China. It is clear, therefore, that non-

alignment had allowed greater autonomy for Ceylon to dealing with the other states. And, thus, bi-polarity and non-alignment enabled greater freedom and independence even in a turbulent regional and international political environment for the small state.

More significantly, some major changes occurred in Ceylon's policy toward the UK, both the Defence and the External Affairs Agreements were not implemented (but not abrogated) after 1956. The findings of this chapter, therefore, established that Ceylon found necessary political power and will to design an independent foreign policy approach under the Bandaranaike regime of 1956. Ceylon's orientation into a new foreign policy was made possible by the incentives it received from the regional security and political approach of Nehru. As observed, Ceylon shifted from the UK to India for guidance in external affairs. Bandaranaike was identified as the pioneering figure of Sri Lanka's non-alignment policy and had close relations with and high regards for Nehruvian policy towards third world unity and regional peace to keep the region away from the interference of great powers. Thus, strategically in the absence of UK's military bases in Ceylon, the regime in power relationally developed friendship with India and contributed to its regional security design. Theoretically, this policy shift can be marked as a divergence from the previous regime's policy of high intense balancing to bandwagoning with India by the new regime after 1956. Also, Ceylon's realization that it cannot exist independently unless it declare its open allegiance to India or 'hide' in its shadow of power had occurred in the minds of the new leadership, which anyway focused much on the regional sphere rather than being a proxy of any great power.

Nevertheless, Ceylon continued to engage with major powers, shifting its allegiance among the USSR, the USA, the UK and China throughout this period. One significant finding in this chapter was that the freedom with which the two regimes, UNP and SLFP-led coalitions, approached national security and foreign policy while shifting allegiance among the two blocs power, while both the parties had declared non-alignment as the major direction of the foreign policy. Therefore, non-alignment was the justification from leaving one camp seeking assistance from the other. However, the two regimes provided different interpretations to the original idea of the concept. This shifting of alliance

partner may explained as bandwagoning for profit, rather than siding with them permanently and strategically.

On the other hand, SLFP's policy of nationalization of local assets owned by foreign countries, the UK and USA in particular, subject it to limited economic cooperation from the West at times. SLFP under Bandaranaike attracted industrial and trade cooperation largely from USSR and China, and very often had to be cautious in criticising the aggressions of communist powers on small states. There was a discernible reluctance to condemn the USSR in SLFP's stance on the latter's aggression on small powers. Similarly, UNP followed the same policy of favouring its loyalty to the West. In both instances, Ceylon as a state had followed a pragmatic policy and was close to one of the two blocs at any given time, while in the regional sphere the policy non-alignment was pacifying India.

However, towards the 1980s, when Sri Lanka delinked itself from the Eastern bloc and joined the West by liberalization its economy, it had strategically deviated from India abandoning a three decade long foreign security strategy since 1956. Chapter five of the study is dedicated to study the short, but the most intense era of confrontation, between Sri Lanka and India, from 1983 to 1990. In this era Sri Lanka confronted a resurgence in India that wanted its small states to behave according to its regional policy, known as India's Monroe Doctrine in South Asia. As the findings of this chapter suggested Sri Lanka vehemently protested India's hegemonic approach in international and regional forums.

When the ethnic tension rose in Sri Lanka causing much bloodshed after 1983, regional power found a justifiable ground to openly interfere in Sri Lanka's internal and external policy. And the era up to 1990 marked an intense hegemonic battle by India towards Sri Lanka which was attempted to be countered by the small state at least up to 1987. The local political hegemony of Sinhala-Buddhist leadership was now being challenged by India's interference; and India became the third party in the struggle of Tamils for their political rights in Sri Lanka, a role Sri Lanka less appreciated to see from India. Sri Lanka attempted greatly to counter India's imposition of a political solution for the ethnic conflict and tried to defeat the Tamil militancy militarily earning the anger of India.

Many times India used its force against Sri Lanka and stopped Sri Lankan military from suppressing the movement that was first nourished in Southern India as a covert measure to interfere in Sri Lanka's affairs. Thus India's high-handed nature of intervention forced Sri Lanka to search for viable options sufficient to balance in the 1980s.

As seen in chapter five, the era after 1983 resurfaced Ceylon's hitherto latent perception of security threat or phobia from India. In the backdrop of rising ethnic tension and the Sinhala-Buddhist nationalism's clamour against Tamil separatism, India's role was suspected by Sri Lanka for nourishing the Tamil militarism in the North and East. As Sri Lanka realised, the attitude and aggression of India toward Sri Lanka during this period, theoretically leading to a Hobbesian anarchy, would cause for definite invasion of the country by India. Regionally, India attempted to force its will on the neighbours through its regional Monroe Doctrine and wanted them to stop dealing with extra-regional powers causing security threats on the region.

Having realised that India would gravely interfere in local and external affairs in this period, Sri Lanka undertook several foreign policy decisions to openly resist the regional power. First, it sided with the West by liberalising its economy as early as in 1977 while still the bi-polarity was on in the international realm. Even so, Sri Lanka did not consider NAM as a viable option in this era and criticised its leadership, India, for not taking measures to find solution for the economic issues of the membership and even proposed that Mrs Gandhi to seek economic cooperation from powerful nations on behalf of the non-aligned countries. Also, Sri Lanka did not continue to support the policy of its previous regime for keeping the Indian Ocean as a Peace Zone. Instead Sri Lanka wanted the West to explore the resources in the Indian Ocean region and called for a different conference (IOMAC) in that regard. Contrary to India's security interest in the region, towards the mid-1980s, Sri Lanka openly challenged India by attempting to obtain military aid from the US and China to fight the civil war in North and East. Deviating from the previous SLFP regimes practice of not allowing military ships carrying nuclear weapons to enter its harbours, the UNP under Jayewardene breached those principles that had cemented Sri Lanka-India relations strongly during the three decades before 1983. Military diplomacy from the US and China continued as long as India began to mediate

powerfully in Sri Lanka's conflict, but receded by the time of the signing of Indo-Lanka Agreement in July 1987. However, after signing the ILA, though military cooperation from China receded for a while, the USA strategically dealt with Sri Lanka wanting to establish its propaganda radio, Voice of America, in the North-western Sri Lanka.

During the 1980s, Sri Lanka's strategy of balancing Indian aggression by strengthening relations with major powers took a multi-directional approach, *i.e.* to strengthen all types of relations, economic, military, and politico-diplomatic, with all the major powers in spite of the political ideology of them. Yet, the UK, the USSR and China figured prominently in those relations and high-level state visits frequented between them and Sri Lanka. Moreover, Sri Lanka developed secret military ties with Israel in order to receive cooperation to fight the guerrilla warfare of Tamil militants.

As witnessed in the chapter five, Jayewardene regime awarded primacy for military and defence relations with the West and China to countervail India in the 1980s. In addition, Sri Lanka chose to develop military relations with China and Israel, a state hitherto remained unwelcomed in the diplomatic relations of the small state. Sri Lanka's open arrogance towards India's attempt to interfere in its internal matters became the most explicit cause for the animosity it developed toward the regional power in the 1980s. Having established a separate Ministry for Foreign Affairs, President Jayewardene had taken steps to send his Foreign Minister to all parts of the world for seeking cooperation. Sri Lanka approached the UN and other forums it voiced its concern over the terrorism in Sri Lanka its threat on its sovereignty and territorial integrity and sought the support of the world for suppressing it. On the other hand, with the emergence of the SAARC Sri Lanka actively involved itself and used it as a platform to bring forth the issue of terrorism as a regional problem.

The role UK played during 1980s to build infrastructure and increase investment in Sri Lanka was highlighted in the analysis. UNP regime started several mega projects to uplift the economy and succeeded in attracting foreign direct investment (FDI) to a greater extent at the early stage of liberalization. And it seemed that Jayewardene regime's overestimation of the cooperation from the West and China also contributed much for the deteriorating relations with India. The nationalist elements in the UNP regime

vehemently opposed India for its alleged role in facilitating the Tamil militancy and developed a fervour of anti-Indianism in the country, a phenomena which was at its peak of the growth when Prime Minister Rajiv Gandhi was assaulted by a military person at the time of his departure after concluding the ILA. Such was the impact of India's intervention in 1987 by breaching the sovereignty of Sri Lanka over its boundaries.

The stationing of Indian Peace Keeping Force (IPKF) in the conflict zone as per the ILA marked the end of point of creating resistance by a small state vis a vis a great power with a huge gap of power. After 1987, Sri Lanka theoretically and practically, lost its sovereignty because of the presence of a foreign force on its soil, but Jayewardene regime had emptied its trumps by then and Indian hegemony was 'spectacularly' imposed on the small state. Contrarily to its role of peace-making, the IPKF transformed into a fighting force against the Tamil militants allegedly assisted by the Lankan government. The withdrawal of IPKF took place amidst a bloody insurrection in the South spurred against the ILA and the increasing resistance of Tamil militants against the IPKF. President Premadasa promised to send off the IPKF during the Presidential elections in 1988. India completed the process of withdrawing the troops from Sri Lanka in 1990.

Sri Lanka was again obsessed with a security dilemma in the 1980s. Indo-Soviet mutual strategic cooperation in the 1970s which marked India's deviation from non-alignment was suspected by the UNP regime after 1977. On the other hand, the UNP sided with the USA and the West. The developments of the Sri Lanka-India confrontation, as summarised above, took place at the twilight years of bi-polarity, but greatly had its effect on the actors who chose to side with two rival great powers, India with the USSR and Sri Lanka with the USA. However, the inability of making permanent alliances by small powers was obvious from the case of Sri Lanka. China and USA stepped up with the small country to a certain distance, but the regional hegemony of India buttressed by USSR was certainly far ahead with its influence and the final result was the subjugation of Sri Lanka before the will of India. Therefore, Sri Lanka's dependence on an intense external balancing strategy vis-a-vis India mostly reflected how a small state would miscalculate about the credibility of the actual commitment that its allies would make to confront a major regional power in order to secure a weak state.

In chapter six, the study was concerned with Sri Lanka's foreign relations during the first decade of bi-polarity, from 1990 to 2000. Sri Lanka entered the era of US unipolarity as a war wearied state, through bloodshed in the entire country, carrying an international stigma of human rights violations and burdened by a tattered economy. In the year 1990 the IPKF was completing its withdrawal from Sri Lanka. In the backdrop of a failed polity, Sri Lanka had to carry out a dual task first, to bring domestic order and establish good relations with India. Yet, it failed, until 1994, to find domestic peace and opportunity to restore its tarnished international image as a country of extreme violence.

The chapter saw that with the onset of the unipolar era, India realigned its foreign policy towards the West. This provided the space for the small state to experiment a new relationship with the West and India. Unipolarity brought changes to regional security and economic policy. India tuned to develop economic diplomacy with the small state and did not intervene in the ethnic conflict in the manner it used to be doing. Sri Lanka was facing a resurgent separatist movement that had developed international linkages and diverted much of its foreign policy toward suppressing the LTTE internationally. The US in this era recognized the LTTE as foreign terrorist group which helped Sri Lanka to get it banned in the West and several other parts of the world. Domestically Sri Lanka followed a twin strategy, war and peace, both Premadasa and Chandrika regimes had talks with the LTTE and they both fought the outfit. To avoid international condemnation and gain time peace was used a strategy. The absence of India as third party in this was changing the dynamics of war. LTTE's killing of both President Premadasa and Prime Minister Rajiv Gandhi also supported the international public opinion against them.

In the economic sphere Sri Lanka faced the complex of international aid, allegations on human rights violations, and the conduct of ethnic war. Internationally, the provision of economic cooperation and aid was linked with the human rights record of the states. Sri Lanka had to face that constraint very often. Sri Lanka happened to find new friends like South Korea for economic aid, even Japan and several other traditional friends were approached. However, Sri Lanka continued diplomatic relations with the US, the EU and other powers who were still the key region of trade, aid and diplomatic relations. The 1990s were different from the bi-polar era. Regional power had realigned with USA.

NAM was not taken as a viable option any longer since one bloc had completely collapsed. Nevertheless, Sri Lanka tried to use all international forums and SAARC for articulating its domestic issue of terrorism. India still resisted during Premadasa regime but India-Lanka tuned to a peaceful relationship in the 1990s.

The study argues that Sri Lanka's primary focus of the foreign policy since 1948 was India. India was considered the most powerful and threatening country for Sri Lanka. Sri Lanka has continued close political, economic and military relations at least four major powers, USA, UK, USSR (Russia) and China. This pattern was visible in all the chapters discussed in this thesis. The study highlighted that the bi-polarity had given much room for the small state to define the nature of its relations with major powers. From the beginning Ceylon's foreign policy was designed as a foreign security policy. Survival of the state was not only concerned with military security, but it had to address all other vulnerabilities ranging from trade and economics to international aid to politico-diplomatic complexities in the relations. Sri Lanka's post-independence history was a vivid case study of a small state struggling in the regional and international sphere to learn the complexity of the term struggle for survival and recognition. The lesser the power of the state, the greater the struggle it has to make in the international arena. Since all states consider the national interest as their guidance in international relations they will attempt to realize it by all possible means. Sri Lanka joined alliances with major powers economic and security gains mostly. That is why I used the term foreign security policy instead of calling it foreign policy.

India, as the major and immediate concern for Sri Lanka, has been crucial from the beginning. Sri Lanka feared India's power, particularly in the first era (1948-1956) and the era of bloodbath (1983-1990), and intensely attempted to find military cooperation from the major powers to enable it oppose India's greater influence on its domestic and international policy. The period from 1956 to 1983 was a special case because during this period Sri Lanka's balancing efforts, though continued, remained latent mostly as India accommodated much of Sri Lanka's requirements during this period. More importantly India helped to solve the issue of the stateless Tamils. Also, Sri Lanka's strategy was not to antagonize India but to accommodate Indian interests and keep within its regional

security strategy during this long period. But, this period also had ups and downs regarding the policy of Sri Lanka towards India which can be explained purely on the regime preferences enabled by bi-polarity. But, mostly, the sub-systemic influence had constrained all the governments and they could not deviate from non-alignment strategy up to 1983. Non-alignment thus had enabled Sri Lanka to follow India's path in the international arena, but also it constrained mostly in Sri Lanka's dealings with the major powers. Therefore, Sri Lanka had to keep equidistance among the powers very often. Nevertheless, Sri Lanka as a whole maintained close relations with major powers even in this era (1956-1983) of strategic accommodation of India's interests. While India was not using its coercive hegemony, but mostly the consensual dimension of it, the international stature of Sri Lanka grew and it was elected to the UNSC once. Thus non-alignment and the role in international forums had enabled Sri Lanka to be in the garb of a big power, but its real power was limited which was realised in the 1980s.

Sri Lanka's resistance to India has always continued but the ebb and flow of it was visible. The high intense external balancing in the fifties was transformed into bandwagoning and latent balancing during the next three decades. Again, the high intense balancing attempts rose up in the foreign security policy of the 1980s. The last decade of the twentieth century which was also the first decade of unipolarity did not give space for the small state to form balancing, but it was dealing with Pakistan and several others when India refused to provide military cooperation. Thus all the four major periods carried elements of external balancing while some periods were witnessing that overtly forming.

In regard to partnering with the strategic agendas of the external powers, the study found perceptibly that Ceylon worked in line with the UK's South Asian strategy by allowing it to use Ceylon as a base. Throughout, Sri Lanka tried to use the strategic importance very often. Apart from the 1950s, in the 1980s, it welcomed the US and China which wanted Sri Lanka to support their regional security design on the Indian Ocean. In the 1970s, both India and Sri Lanka had contributed to the USSR's security interests in the region. The 1990s saw the lessening of the significance of geo-strategic approach and the small state was free to explore both the West and China for cooperation while India kept away

from interfering in the political sphere much. But, the end of the twentieth century gave rise to an era of free trade and Sri Lanka was systemically driven to adopt international financial and trade related policies to get along with the new world's economic order.

This study has included much of the information on how the foreign policy was debated in Parliament among various parties, but finally the decisions on the outcome emerged according to the regime in power mostly influenced by regional and international systemic consequences. As highlighted in the study, bi-polarity provided much space for policy discussions because there were choices to be made in the external environment. For instance, the first era, 1948 to 1956, saw how through intense debates among the parties the national interest driven decisions were mostly made. The Sino-Ceylon trade agreement was made despite coercive diplomacy of the USA and not with a fully consented cabinet on the agreement, yet, the silence of UK and India allowed greater freedom to defy the US warnings. Also, despite US's repeated warnings and offers Ceylon continued with Chinese trade because local elements pushed for it and the systemic consequences favoured such a continuation. Further, the policy of non-alignment was also widely supported by the local leftist elements, and all governments declared it as their official policy. Nevertheless, the study found the sub-systemic influence played a major role in making Ceylon a fully pledged non-aligned nation after 1956. The 1980s again witnessed how powerful could be the hegemonic display of power by the regional power. The ILA was an instance where the domestic views succumbed to the regional systemic pressure. Likewise, the 1990s was totally an era under the sway of unipolarity and domestic determinants were less and less considered for their influence on the foreign policy.

Finally, on the complexity of analysing small state strategies, a few words are needed here. Very often, as realised through Sri Lanka's case, small state strategies are complex, constituted by diverse elements, and not straight forward. For instance, Ceylon while having a defence agreement with the UK to openly balance India had followed Nehru in his policy of non-alignment. This kind of mixed policies of balancing and siding with the threatening powers simultaneously needs to be further theorised, and cannot be called either treachery or duplicity. I think this condition may not be easily generalizable as

well, because Sri Lanka-India case is a distinct case in many ways. Also, unlike Pakistan, Ceylon's external balancing was qualitatively different, and it mainly expected only to prevent any high-handed treatment from India and wanted it to recognize Sri Lanka as an autonomous and sovereign state in the regional and international systems of states only. Thus the extent to which Ceylon used balancing as a strategy has also to be qualified with its attitude towards India at any given moment. In the 1980s the high intense balancing was led intentionally and with a rival attitude towards India. In general Ceylon had the threat perception toward India at all the time, but at the same time, that did not make it to completely isolate itself from India. Instead, Ceylon had in general a love and hate relationship with India with whom it shared a larger cultural relationship, imposed or accepted with consent, but in politics what mattered for Sri Lanka was India's power and influence, and the unpredictability of an imminent threat conditioned by regional anarchy.

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